DECLASSIFIED E.O. 12958 SECTION 3.3(b)(6)

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

Description of contents

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(2) Folder title/number: (7)
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(3) Date: Dec. 1948 - Apr. 1951

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i) Tottori & Yamaguchi
ii) Includes Contents Lists

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(7) Film no. Sheet no.

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DECLASSIFIED E.O. 12958 SECTION 3.402/NNSC NO.

AGRICULTURAL COOPERATIVES

	DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT
1.	31 Dec 48	Principles for Japanese Farmers Organizations	GHQ
2.	10 Dec 49	Former Agri Ass Officials Holding Office in Newly Coop	CLCO
3.	12 Dec 49	To all Governor: Message of Second Anniversary at Agri Corps	CCAR
4.	March 50	Speech (By D.G. O'Brien)	
5.	18 May 50	Procedure to be followed in case where it is proposed to amalgamate Federations.	Agricultural Administration Bureau
6.	4 Oct 50	Embezzlement of Funds of Agricultural Cooperatives	CCAR, Economics Section
7.	14 Nov 50	Embezzlement of Agricultural Cooperative Funds	SCAP, CAS
8.	16 Nov 50	Rural Women's Cooperative Organizations	SCAP, CAS
9.	22 Nov 50	Cabinet Order for Establishing Standards for Financial Activities of Agricultural Cooperative Associations	SCAP
10.	-	Procedure for Guidance in Adjustment and Reconstruction of Depressed Agricultural Coop Soon to Become Final.	
11.	3 Jan 51	Women's Activities of Agricultural Coops.	Agri Coop
12	19 Jan 51	AGRICULTURAL COOPERATIVE ASSOCIATIONS Loan Funds Increased Through Special Deposits by Prefectural Governments	GHQ, SCAP
13	19 Jan 51	ITEM ATTACHED TO COPIES OF THE WEEKLY SUMMARY FOR ATTENTION OF CIVIL AFFAIRS REGION. Financial Status of Local General Purpose Agricultural Cooperatives Receiving Deposits	GHQ, SCAP
14	15 Feb. 51	Petition	Kibi Gun, Okayama Prefecture

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AGRICULTURAL COOPERATIVES

	DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT
15.	-	Agriculture Cooperative Association Program Summary of Important Agricultural Organization Activities in Japan - 1899 to 1947.	-
16.	22 Mar 51	AGRICULTURAL COOPERATIVE ASSOCIATIONS Voting Rights of Absent Members of Cooperatives	SCAP, CAS
17.	31 Mar 1951	Progress-Registration of Dissolution and Liquidation of Agricultural Associations	Hiroshima L. A. B.

G

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PROGRESS-REGISTRATION OF DISSOLUTION OF AGRICULTRAL ASSOCIATION

As of ~~30~~ 31

PREFECTURE	TOTAL NO.	~~DISSOLUTION~~ Dissolved	~~DISSOLUTION AND UNCOMPLETION~~ NOT Dissolved
HIROSHIMA L. A. B.	343	343	
YAMAGUCHI D.L.A.B.	184	183	
OKAYAMA D.L.A.B.	375	374	
TOTTORI D.L.A.B.	159	158	
MATSUE D.L.A.B.	258	258	
TOTAL	1319	1316	

HIROSHIMA L. A. B.

Change order to

5

3

1

1

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TION OF DISSOLUTION AND LIQUIDATION
RICULTRAL ASSOCIATIONS.

As of ~~30th Apl~~ 31 MARCH 1951

UTION ved	DISSOLUTION AND ~~UNCOMPLETION~~ NOT Dissolved	LIQUIDATION AND ~~CONCLUSION~~ LiQuiDATed	~~LIQUIDATION AND UNCOMPLETION~~ NOT LiquiDATed
343	0	299	44
183	1	169	15
374	1	218	157
158	1	156	3
258	0	160	98
1,316	3	1,002	317

Nat. Res. Division
File No. A-49

OSHIMA L. A. B.

DECLASSIFIED E.O. 12065 SECTION 3.3(b)(3) NARS DATE 1-31-96

Nat. Res. Division
File No. A 0 4 - 9 CHUGOKU

CA-EN. 59

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Affairs Section
APO 500

INFORMATION:
O.D. 12

MAR 22 1951

ECONOMICS
CHIEF 1
DIV.
N.R. 2
LABOR
FS

22 March 1951

Following is an extract of NRS Weekly Summary to be published as of the week 18-24 March.

AGRICULTURAL COOPERATIVE ASSOCIATIONS

Voting Rights of Absent Members of Cooperatives

a. Inquiries have been received recently regarding voting procedures to be followed in the election of officials of agricultural cooperative associations. Elections must be conducted in accordance with the provisions of the Agricultural Cooperative Association Law and the articles of incorporation of each cooperative organization. Voting procedures are governed by the provisions of Article 16 of the law, which are as follows:

"Each member of a cooperative association irrespective of the number of shares held shall be entitled to only one vote. An associate member shall not have voting privileges. A member unable to be present at a meeting of the membership may, in accordance with the provisions of its articles of incorporation, vote on previously submitted specific issues in accordance with the provisions of Article 37, paragraph 3 by written ballot or such member may be represented by another member on such matters. In this case he shall be deemed to be present at the meeting. A member may not represent more than one member for such voting purposes and must present satisfactory written authority."

b. The Agricultural Cooperative Association Law does not allow proxy voting. An absent member may vote on previously submitted specific questions either by mail ballot or by authorizing another member to represent him at the meeting and cast his vote according to his specific instructions.

c. Even though the election of officers is listed in the agenda included in the notice of a general membership meeting, a member cannot vote in an election of cooperative officials by mail or through a representative. This is because the requirement in the general election law that each individual cast his vote in person applies to the election of cooperative officials since the Agricultural Cooperative Association law does not specifically authorize representative or mail voting in such elections.

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Nat. Res. Division
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AGRICULTURE COOPERATIVE ASSOCIATION PROGRAM

SUMMARY OF IMPORTANT AGRICULTURAL ORGANIZATION ACTIVITIES IN JAPAN
1899 to 1947

1. In 1899 legislation was promulgated in Japan which authorized the organization of agricultural associations (Nokai). These associations comprised a single federation which had as its purpose the development of agriculture. It served as the means of putting into practice new farming techniques. The membership of farmers in these associations was compulsory. Charges collectable in a manner similar to taxes were levied to defray expenses not covered by government subsidies.

2. The Industrial Cooperative Law was promulgated in 1900. Cooperatives organized pursuant to this law were located primarily in rural areas. Membership was voluntary. These cooperatives engaged chiefly in selling, purchasing, making loans, accepting deposits, and the cooperative utilization of farm equipment. Cooperatives developed rapidly under this law and the total number reached approximately 15,000 with a membership of about 7,500,000. These associations were relatively independent during their early development; however, amendments to the law authorized an exercise of an increasing degree of government influence in their business affairs. This type of interference was accelerated between 1930 and 1943.

3. In 1943 the Agricultural Organization Law was promulgated. It combined the compulsory features of the agricultural organizations and the economic activities of the industrial cooperatives (Sangyo Kumiai) into a single monopolistic federation of agricultural associations (Nogyokai). It was subject to complete government domination and served as the instrumentality through which (a) agricultural prices and production were controlled, (b) collections and rationing were accomplished, and (c) rural capital was collected in support of the war effort.

4. In many instances agricultural and sericultural practice associations organized on a neighborhood (buraku) basis facilitated the exercise of police and regulatory powers by the agricultural associations (Nogyokai).

5. Although, with the termination of hostilities, the powers of these organizations were limited, it was recognized that the permanent continuance of organizations basically undemocratic in character would impede the democratization of Japanese farm communities.

6. In order to alleviate this conditions paragraph 3d(5) of Memorandum AG 602.6 (9 Dec 45)CIE, subject, "Rural Land Reform," 9 December 1945, to the Japanese Government, directed that "a program to foster and encourage an agricultural cooperative movement free from domination by nonagrarian interests and dedicated to the economic and cultural advancement of the Japanese farmer" be submitted.

7. Proposed agricultural cooperative legislation prepared by the Japanese Government in compliance with the directive has been submitted to the Diet. It would dissolve the existing associations which consist of approximately 11,000 agricultural associations (Nogyokai), 50,000 agricultural practice associations

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(Noji Jikko Kumiai) and 5,000 sericultural practice associations (Yosan Jikko Kumiai) within eight months from its effective date. The existing laws would be replaced by an Agricultural Cooperative Association Law giving farmers the legal power to voluntarily organize cooperative associations in accordance with established cooperative principles. In drafting the proposed legislation special recognition has been given to the limited farm income, small size of farm units and large human labor requirements which are associated with Japanese agriculture.

8. The pending legislation is divided into two proposed laws, "The Agricultural Cooperative Association Law" and the law applicable to dissolution of agricultural practice associations, sericultural practice associations and the agricultural associations (Nogyokai). A summary of each of these proposed laws is attached.

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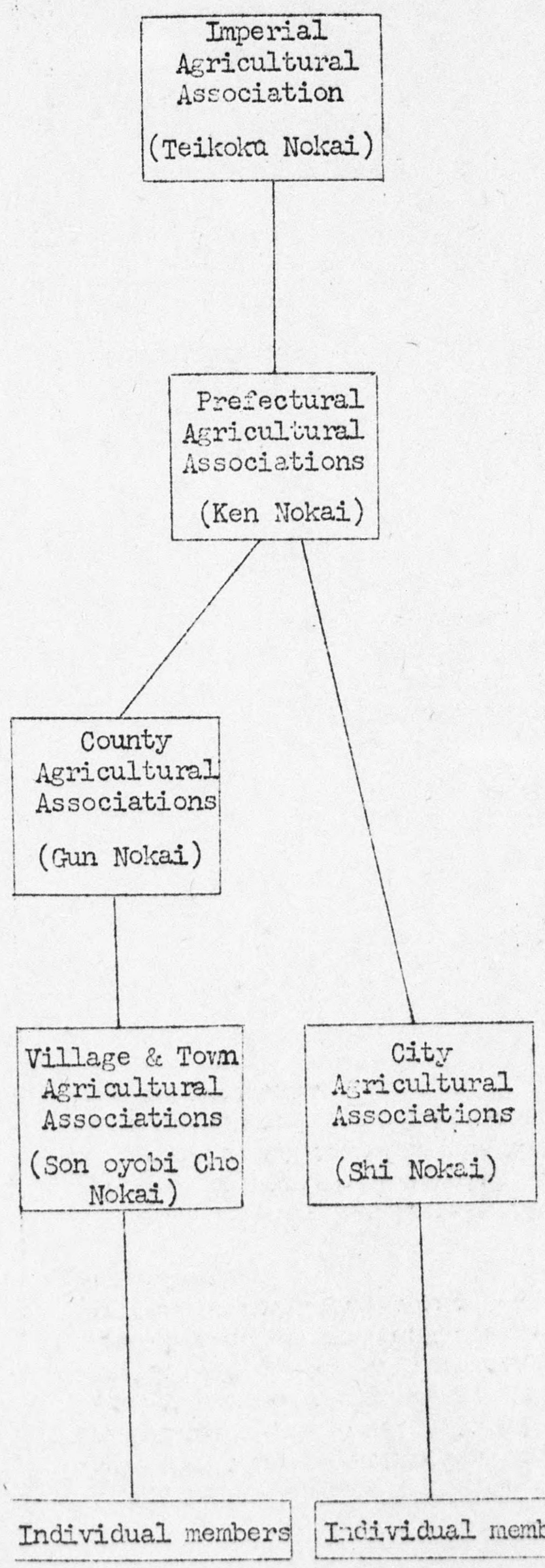
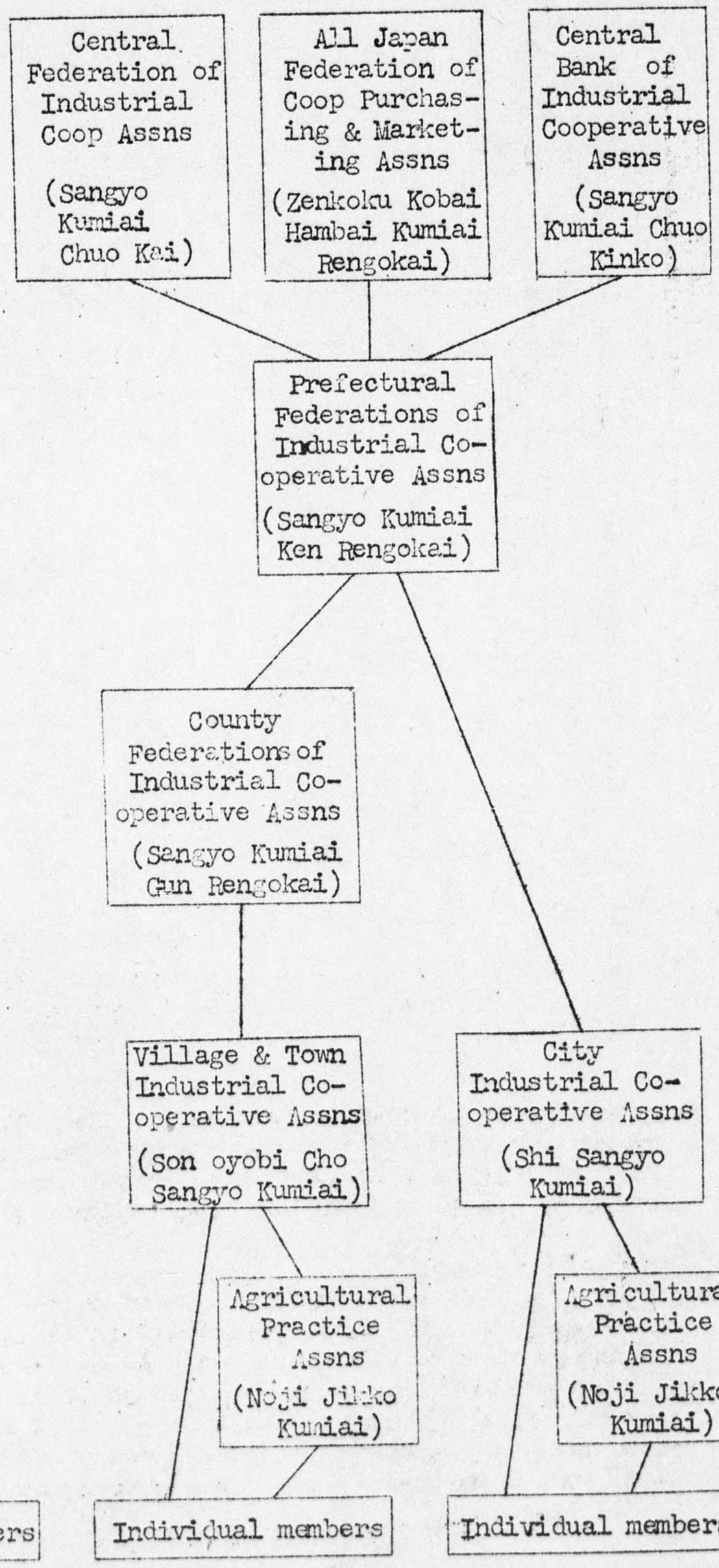
AGRICULTURAL ASSOCIATIONS (NOKAI)
(1899-1943 - Membership Compulsory)

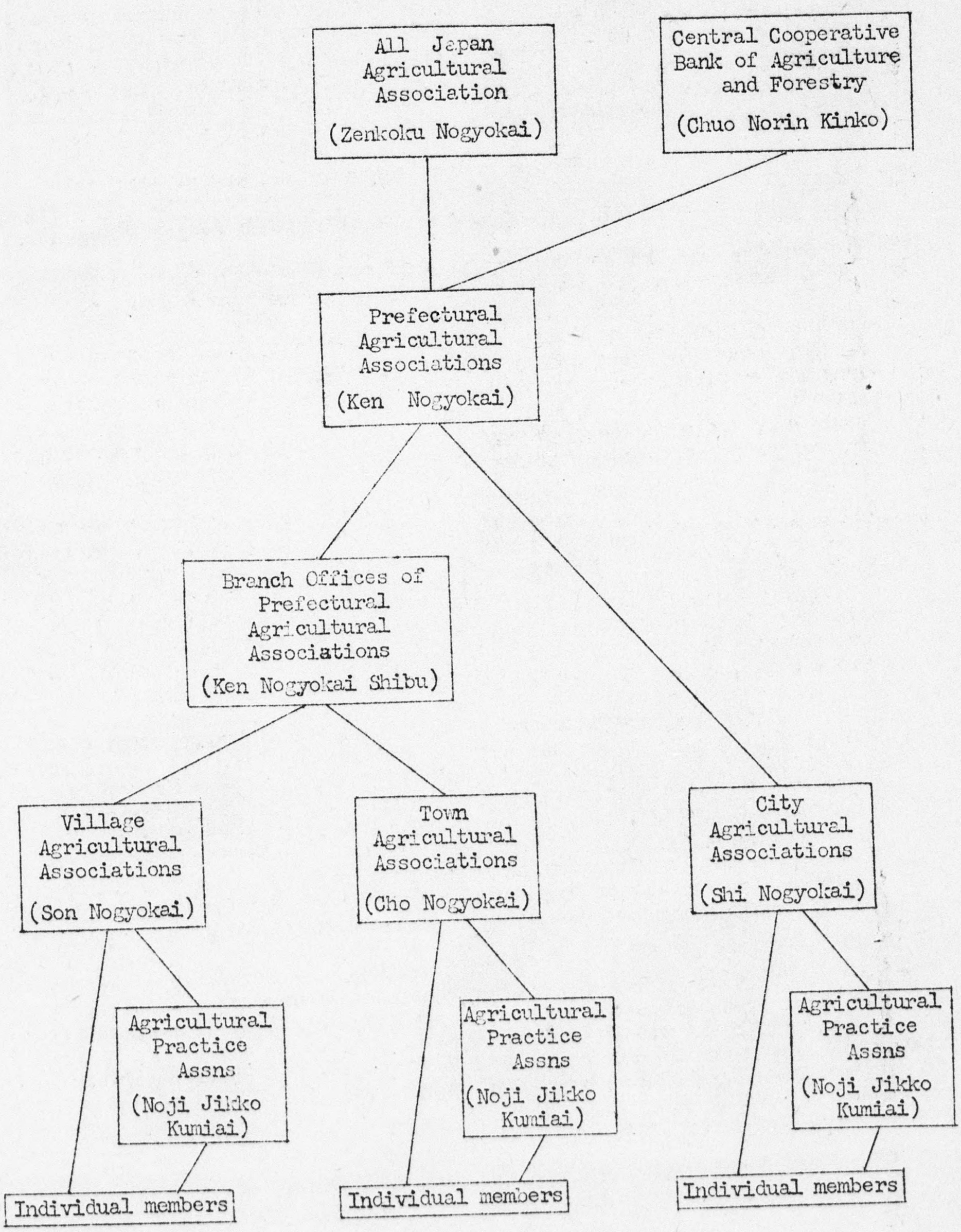


INDUSTRIAL COOPERATIVE ASSOCIATIONS
(1900-1943 - Membership Voluntary)



DECLASSIFIED E.O. 12065 SECTION 3 NJ/NARA DATE

THE PRESENT AGRICULTURAL ASSOCIATION (NOGYOKAI)
ORGANIZED 1943



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SUMMARY OF THE PROPOSED AGRICULTURAL COOPERATIVE ASSOCIATION LAW

1. The purpose of this law is the advancement of the national economy by increasing agricultural production and improving the economic and social status of farmers through the development of agricultural cooperative associations (Art 1). The objective of these associations is to render the maximum service to their members rather than the paying of dividends on invested capital (Art 6).

2. Two types of cooperative associations are authorized. These include cooperatives voluntarily organized by fifteen or more voting members and federations of such associations which may be organized by two or more cooperative associations (Art 55). The official title of any individual association must include the term "agricultural cooperative association" and any federation of cooperative associations shall have the words "federation of agricultural cooperative associations" in its title (Art 2). For purposes of this law the term "cooperative association" shall include both types of cooperatives (Art 3).

3. Eligibility for membership in a cooperative association shall be determined, by the articles of incorporation from among farmers and those persons who are not farmers but who reside in the community served by the cooperative and have a reasonable need to utilize its facilities (Art 12). The former shall have voting rights and be personally engaged in agriculture, which shall consist of cultivation, stock-farming and sericulture (Arts 9 and 16). The latter shall be associate members without voting rights (Art 16).

4. Membership in a federation of agricultural cooperative associations shall be determined, by its articles of incorporation, from among cooperative associations organized under this law and those cooperatives organized under other laws which are engaged in one or more of the functions carried on by the federation. The former shall be voting members and the latter associate members without voting rights (Arts 12 and 16).

5. No special condition not imposed upon other members may be required for acceptance of an eligible applicant nor may such applicant be refused membership without sufficient reason (Art 20).

6. Any cooperative association must be a juridical person (Art 3).

7. An agricultural cooperative may engage in one or more of the following functions: (1) making loans for reasonable business and personal requirements; (2) receive deposits; (3) purchasing for and selling to those eligible to use the facilities of the cooperative commodities for family and business uses; (4) improving the efficiency of agricultural labor in the performance of farm operations and accomplishment of farming through

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cooperative organization; (5) improving agricultural lands and water facilities; (6) processing, transporting, storage and sale of goods produced by its members; (7) making available rural industrial facilities and engaging in rural industrial activities; (8) insuring property of its members against damage or loss; (9) making available those common services which will improve the living conditions and culture of the agricultural community; (10) conducting educational activities relative to cooperative associations and farming techniques; (11) accomplishing collective bargaining contracts on behalf of its members; and (12) incidental activities required to accomplish items 1 through 11 (Art 10).

8. A federation of cooperatives may engage in any of the functions stated in the preceding paragraph and also engage in activities relative to the fostering and guidance of its member associations; however, if a federation engages in the making of loans and receiving of deposits it cannot perform additional functions not connected with these activities. It may, however, act on behalf of its affiliated associations in discounting bills and guaranteeing debts towards banking organizations with which such associations are authorized to do business (Art 10).

9. A cooperative association may charge expenses and require contributions in accordance with its articles of incorporation. No right of set off may be exercised as to such payments.(Art 17). It may organize as a capital stock or nonstock association; however, no nonstock association may carry on together the functions of making loans and receiving deposits. Liability for a share shall be limited to the amount of the share and in the case of a nonstock organization the amount of the assessment. In a capital stock association each member must possess at least one share. No shares shall be owned jointly; the maximum number which may be owned by a member shall be set forth in the articles of incorporation. A share cannot be transferred without the association's consent and if the transfer is to be to other than a member such party must comply with membership requirements and become a member. The transferee shall succeed to a rights and liabilities of the transferor (Arts 10, 13, 14 and 15).

10. The procedure for organization of a cooperative association is as follows:

a. Fifteen or more farmers must become promoters. In the case of a federation the representatives of two or more agricultural cooperatives shall be the promoters (Art 55).

b. Promoters shall give at least two weeks public notice stating the purpose, date and place of the preliminary organizational meeting. They shall present to the meeting a prepared program for the organization of a cooperative association including the scope of its business, area of function and requirements for membership. At the preliminary meeting a committee of fifteen shall be elected (in the case of a federation two or more directors of cooperative association) to prepare articles of incorporation. The area, membership requirements and matters necessary for drawing up the articles of incorporation shall be submitted to the meeting. Matters decided at the general meeting shall be by a majority of the farmers present or in the case of a federation a majority of the associations represented (Arts 56 and 57).

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c. When the drafting committee has completed preparation of the articles of incorporation the promoters shall call a constituent general meeting giving at least two weeks notice of the date and place. The articles of incorporation shall be presented for approval and a business plan and other matters adopted at the general meeting. The articles of incorporation may be revised except for the provisions relating to the area of operation and membership requirements. One half or more of those who have given their consent for organization to the promoters by the day of the meeting must be present. The agenda of the meeting shall be decided by two-thirds or more of the votes of those present. Those who have given their consent to the promoters prior to the meeting may vote by a document of proxy (Art 58).

d. Upon completion of the general meeting the promoters will make application to the administrative authorities for approval of the articles of incorporation and business plan (Art 59). If the procedual and legal requirements are complied with the administrative authorities shall give approval (Art 60).

e. When approval has been given the promoters shall without delay surrender their duties to the directors (Art 62).

f. A cooperative shall come into existence by registration in the locality where its principal office is located (Art 63).

11. Procedures for the administration of the affairs of a cooperative association are as follows:

a. A cooperative association shall have a minimum of five directors and two auditors (Art 30).

b. Officers shall be elected at a general meeting of the membership except at the time of establishment when they shall be elected at the constituent general meeting. Election of officers shall be by written secret ballot. One member shall have one vote (Art 30).

c. A minimum of three fourths of the directors shall be voting members (Art 30).

d. At least one general membership meeting shall be convened each business year (Art 34).

e. A cooperative association with more than 1,000 members may substitute a representative meeting for a general membership meeting. Only voting members may act as representatives and there must be at least 200 representatives (Art 48).

f. At the close of each business year in which there are surplus funds, each capital stock association shall set aside as a reserve not

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less than one tenth of the surplus until the reserve fund equals not less than one half of the amount of capital stock. Five percent of the remainder for each year shall be used for educational purposes. The remaining surplus fund shall be applied by paying a dividend not exceeding five percent on the capital stock and if any amount remains it shall be distributed to the members in proportion to which they have patronized the facilities of the association (Arts 51 and 52).

g. The articles of incorporation may authorize a cooperative to make its facilities available to nonmembers providing such business shall not exceed 20 percent of the total financial volume of business during any business year (Art 10).

12. Provisions relating to preferential tax treatment, dissolution, supervision and penalties for violations are contained in the law. Since these provisions are not deemed important during the period of organization of new cooperatives, they are not contained in this summary.

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The term, "agricultural association" used in the text of this summary refers to a village, town, city or prefectural agricultural association and the national agricultural association organized under the Agricultural Association Law. The applicable Japanese term is "Nogyokai."

The term, "agricultural cooperative association" used in the text of this summary refers to an agricultural cooperative association organized under the Agricultural Cooperative Association Law.

SUMMARY OF PROPOSED LAW APPLICABLE TO DISSOLUTION OF AGRICULTURAL ASSOCIATIONS

1. All agricultural practice associations, sericultural practice associations, village, town, city and prefectural agricultural associations, except those which have not completed segregation of their financial accounts, and the national agricultural association shall be dissolved at the expiration of eight months from the effective date of this law (Arts 1 and 14). Those which have not completed segregation of their financial accounts under Art 34 of the Financial Institutions Reconstruction and Reorganization Law must accomplish this action at the earliest possible date and adopt resolutions for their dissolution. The government authorities may at any time within the eight month period dissolve by order any association, and such association shall cease its business activities as of such date. No association, regardless of its status, shall continue its business functions subsequent to the designated eight month period. The laws under which the above designated organizations were organized are abolished as of the effective date of this law except as to those existing organizations which are required to be dissolved in accordance with the provisions of this law (Art 1).

2. The government is responsible for insuring that associations take appropriate measures to expedite dissolution and liquidation in accordance with the law.

3. Assets of sericultural practice associations and agricultural practice associations will be liquidated in accordance with their articles of incorporation and the laws under which they were organized. Supplemental procedures are applicable in the liquidation of village, town, city and prefectural agricultural associations and the national agricultural association. Objectives of these additional methods of liquidation are the simplification of the reorganization program by keeping assets intact, minimizing financing problems and giving cooperatives the opportunity to utilize existing facilities.

4. Special procedures referred to in the preceding paragraph are:

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a. No property, except that which is the subject of ordinary business transactions in carrying on functions which an association was organized to perform, may be transferred by it without approval of the government authorities. A transfer in violation of this provision shall be null and void. Any representative or employee violating this prohibition on property transfers shall be liable to imprisonment at hard labor for up to three years or be subject to a fine up to ¥10,000 or both (Art 2).

b. No village, town, city or prefectural agricultural association or the national agricultural association may accept as a member a cooperative association organized under the agricultural cooperative association law; however, any prefectural agricultural association or the national agricultural association may make its facilities available to any such cooperative associations (Art 3).

c. Within two months from the effective date of this law each of the village, town, city and prefectural agricultural associations and the national agricultural association must hold a general membership meeting. A minimum of ten days public notice stating the purpose, date and place of the meeting shall be given. Two-thirds of the membership must be present to constitute a quorum. If a quorum is not present successive meetings shall be held until the required number is in attendance, even though the authorized two month period is exceeded; however, such delay will not operate to extend the date when the association must be liquidated (Art 8).

d. Seven days prior to the meeting the board directors, or, if the association is in liquidation, its liquidator, must submit a financial report, together with an inventory of the properties, to the auditors of the association (Art 9).

e. The following shall be accomplished at the general membership meeting:

(1) The board of directors, or, if the association is in liquidation, its liquidator, must inform the members concerning the Agricultural Cooperative Association Law and the law relating to the liquidation of existing association (Art 9).

(2) The financial and inventory reports previously submitted to the auditors will be presented for approval. An opinion of the auditor must accompany the reports (Art 9).

(3) A "Property Disposal Board" consisting of not less than five nor more than nine members shall be elected by the membership. A minimum of 75 percent of the Board must be "farmers" as defined in Par 1, Art 9, of the Agricultural Cooperative Association Law. The Board shall represent the members in matters relating to the disposal

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of association properties. Its opinions must be heard and obeyed by directors and liquidators and be considered by the government authorities in fixing terms of transfer (Art 9).

f. Rules applicable to distribution of the assets of each agricultural association are:

(1) Distribution must be made equally among the members in proportion to their share holdings (Art 4).

(2) An agricultural cooperative association, a part of whose members are concurrently members of a village, town or city agricultural association, may, with the approval of the government authorities, have a division of the agricultural association's properties made in the same proportion as the shares held by members of the cooperative in the association bear to the total amount of association stock outstanding. Regulations governing such transfers may be established by governmental ordinances and no such division will be approved unless the segregation of old and new financial accounts is complete (Art 5).

(3) An agricultural cooperative association, a part of whose members are concurrently members of a village, town or city agricultural association, may, with the approval of the government authorities, negotiate with the association for the purchase of its assets and assumption of its obligations. If no agreement can be reached, the government authorities may, upon application of one or both of the negotiating parties, establish the terms of transfer and order transfer in accordance with such terms; however, the proportion of assets so transferred may not exceed the ratio between the amount of stock held by members of the cooperative in the association and the total amount of association stock outstanding. Any action seeking to obtain a revocation or alteration must be brought within one month from the date of such approval or order. Administrative procedures applicable to such transfers may be set forth in governmental ordinances (Art 6).

(4) Subject to the terms of governmental ordinances a federation of agricultural cooperative associations may, with approval of the government authorities, negotiate with a prefectural association for its assets in the same manner as cooperatives having individuals as members (Art 7).

5. Any organization which has as a part of its official name either the term "agricultural cooperative association" or "federation of agricultural cooperative associations" must remove such words from its title within three months from the effective date of this law or be subject to an administrative fine of not more than ¥10,000 (Art 12; see also Art 101 of Agricultural Cooperative Association Law).

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Nat. Res. Division
File No. A-4-G

KIOI - GUN
OKAYAMA
15 Feb '51

P-E-T-I-T-I-O-N

Our cooperative association was established in August 1948 with purpot to carry out in full the Yamato District reclamation project through joint cooperative efforts of its members. And will further endeavor to develop productivity of reclaimed land, and ultimately elevate economic and social position of the members.

Concerning organization and management it differs in no way with the general purpose agricultural cooperative associations. At present the membership numbers 42 including 6 directors and 3 auditors. Provision concerning general membership meetings is that regular general meetings are to be held annually and also anyother extraordinary meetings in accordance with need. Thus it is, at least in external appearance, set up to make possible operation under a democratic structure. But in reality it differs immensely.

In the days of Morimune Ishii, then chief of the Association, it was a full monarchy ---- members' opinions were overlooked, more adequate to say it was suppressed and denied ----the association was run exactly as the chief himself willed. The members including officers knew nothing of what was going on. At general meetings, also at other occasions, when inquiries are made on any obscure point by members it would only be dealt with by high handed bull-beating to give anything but the right answer. This had caused members to hold back expression to clear internal conflict and anxiety, and fall back to "cry themselves to sleep" so to speak.

Off hand, regardless of circumstances, those who had not shown standard results in reclamation would be ordered to leave farm. Those with efficiency (and backbone) would be intimidated by back stage operation, scattering propaganda "----It is intended that ----to be ousted from this reclamation project----" Carries an air as if to say "----subsidy was acquired because or my offering of bribe to the prefectural people. Who is it thats griping when only I can make success ------". Or at a general meeting when unfearing statements etc are made there would always be a blast of "How dare you make such arrogant speach. This is not a matter for you to be criticizing. If you think you can fill the chair of a chief go ahead and try" with the backing of his heelers. In such manner peoples free will and speech was nipped as a bud, member's living was always under heavily felt pressure. Such would not have continued to exist for any length of time had the people concerned were more awake to facts and had greater motive power. But the situation was that they were not able to counter the unjust oppression because of ignorance and passive attitude plus the problem of effect on relatives and interests. As results of these

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high handed and arbitrary maneuvoring and subsequent wrong the members were put in a living of further destitution, the extent to which this has hindered completion of the reclamation mission is indescernably great.

The said person is very sloppy on books. Retains almost no receipts. Entries in books are inaccurate,(many times nil). Though considerable amount of suspicion was aroused true facts were impossible to grasp. Still if left to continue wild, just the thought of the fearful future growing out of the present was unbearable. The following milder example is intended to provide some idea of the situation that existed. Reclamation subsidy for the 3rd quarter was received but that for the 2nd quarter was amiss. To clear the general question the Board of Directors looked into it and later held a Board of Directors Meeting. At this point he finally broke down to offer information. "Mr. Akagi of the Jiko-Kai (translater is not able to pin point down as to what this organization is. So far as known it is a nation wide agency) had seized the official papers as well as the money. When I arrived at the Prefectural Office it was already gone. I had been waiting for its reimbursement, holding Mr. Akagi's statement of holding the money" The membership's objection mounted. ¥70,000, 50% of the total amount was delivered. It was decided that the remaining half be paid up at a later date. Again, there is a case where said Mr. Akagi seized the "farm operation loans" amounting to ¥18,000 designated to be granted to 2 persons but was not received by them.

Our association engaged in reclamation is placed in three separate groups. District No.3, one of the 3, has also set up the Yamato Reclamation Rural Industries Co-operative Association with same people. The purpose is to engage in business manufacturing wooden clogs (GETA) and any other suitable item. This is also in an extremely confused state. There was considerable unpleasantness in "labor period" in birth of the Ass'n. When it was finally organized the loan was used up and there wasn't even a cent left to its name. We placed our seals on the designated form at the time of documentation of the loan but what had transpired since our knowledge is nil. It is claimed that an enormous sum out of the capital was used to procure machinery tools etc but there are no receipts to back it. Double collection for a gasoline engine, money collected from members for procurement of kerosene has gone to something else, some of the membership investment was not

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put in the accounts, and the list of such could go on almost endlessly. Among the many there is one of significance. Last spring, at the time majority of the people were on the verge of starvation, easily induced by sweet talk "---money available immediately---", cut trees to sell as mine supports. We've continued to wait but there has been no payment (actually the purchasing party had paid). After much crookedness in such manner and when members realizing the boat they were aboard began talking he attempted straightening of books as seen suitable to cover-up these evil deeds. When discrepancies and injustices were uncovered and pointed out he would come out strongly with, "--- is the deficit which I put my own money in to cover" and such is attempt to quibble out. Even when all evidence shows clearly a remainder existing he would show no earnest reaction. There is no account book existing for the early days of placement. When request for people's inspection of books are put in, nothing clear is presented. Thus we are lost.

Such is obstructing progress in reclamation not only that but greater concern is aroused that such is putting people in destitution. While such condition is prevalent with the members in general, the chief leads literally a life of luxury. We all live under the same conditions. Why the difference. Seizure of loans and grants. Acceptance of bribe. (Details in such manner continue for many more pages. Finally winds up with following)

We are being honest and honest ones seem to be tramped on. Request your hand in:

1. Enlightenment of the ignorant as of ignorance we feel has caused failure of attaining sound democratic end.

2. Setting up measures to prevent seizure of grants and loans by non concerned people.

3. Clearing obligations on loan for establishment of Rural Industry, Coop, Prefecture states that loan was made to Mr. Ishii as an individual. If it is so the coop as an organization has no obligation.

4. Reviewing books and straightening out confused accounts.

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5. To decide whether getting things done through bribery and entertainment as frequently stated by Mr. Ishii is correct or not. To accomplish anything indications are stronger that such is necessary.

6. To divert attitude of the Prefectural authorities in favoring ass'n chiefs regardless of situation.

Signed Akiyoshi ISHIMARU

Masae KAWANO

Sadakichi KAWASHIMA

Bunji YUNOKI

Toyohei INUMA

as results election 12 Feb: Vice President
Director
Auditor
President

DECLASSIFIED E.O. 12333 SECTION 3.4(a) NND 968130

Mr. O'Brien -OB

Nat. Res. Division
File No. A-4-G

CHUGOKU
INFORMATION CT
O.D. 12.
JAN 19 1951

ITEM ATTACHED TO COPIES OF THE WEEKLY SUMMARY FOR ATTENTION OF CIVIL AFFAIRS REGIONS

1. Chief HGK
2. Nat Res
Your copy

Financial Status of Local General Purpose Agricultural Cooperatives Receiving Deposits

a. The number of agricultural cooperatives in each of 43 prefectures which were suspending or restricting withdrawals of deposits on 31 October 1950, the number which possibly may impose such limitations upon deposits during the next 3 months and the number considered in good financial condition were reported by the Ministry of Agriculture and Forestry.

File Index
No. 13

JAN 23 1951

DECLASSIFIED E.O. 12958 SECTION 3.4(b) NND 963

AGRICULTURAL COOPERATIVE ASSOCIATIONS

1. Number of Cooperatives Suspending or Restricting Withdrawal of Deposits.

a. A report submitted by Agricultural Cooperative Association Division, Ministry of Agriculture and Forestry discloses the financial status on 31 October 1950 of local general purpose agricultural cooperatives receiving deposits. The report showed the number of these cooperatives which were:

(1) Suspending payment of deposits	178
(2) Restricting payment of deposits	432
(3) Considered may suspend or retrict withdrawals	126
(4) Deemed /in good financial condition	11,354
(5) Included in the survey	12,090
(6) Receiving deposits in 46 prefectures	13,300

The three prefectures which did not submit data for the compilation of this report were Saitama, Mie, and Shimane. Data for each of the 43 prefectures which submitted information is given in the table attached.

DECLASSIFIED E.O. 12333 SECTION 3.4(b) NND 963

ITEM ATTACHED TO COPIES OF THE WEEKLY SUMMARY FOR ATTENTION OF CIVIL AFFAIRS REGIONS

Financial Status of Local General Purpose Agricultural Cooperatives Receiving Deposits

a. The Agricultural Cooperative Association Division of Ministry of Agriculture and Forestry reported as of 31 October 1950 the numbers of cooperatives in the various prefecture suspending or restricting withdrawals of deposits, the number which may restrict or suspend deposit withdrawals, and the number considered to be in good financial condition as follows:

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NND 963206

Mr. O'Brien

Res. Division
File No. file A-4-C

CHUGOKU
INFORMATION:
O.D. 12
JAN 19 1951

Chief ARA

AGRICULTURAL COOPERATIVE ASSOCIATIONS

1. Loan Funds Increased Through Special Deposits by Prefectural Governments.

a. A report submitted by Agricultural Cooperative Association Division, Ministry of Agriculture and Forestry disclosed data regarding special deposits made by 33 prefectural governments in cooperative financial institutions in order to enlarge the funds available for loaning to agricultural cooperatives and federations. Such deposits made through 1 December 1950 totalled ¥1,475,000,000. Some prefectural governments have made more than one special deposit in the prefectural credit federation or a branch office of the Central Cooperative Bank in order to increase the loanable funds of these institutions. Data regarding the special deposits made by each of the 33 prefectures is given in the table in Item.

b. A summary of data regarding the number of prefectures making such special deposits in various types of financial institutions, length of term of such deposits and interest paid thereon follows:

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23 1951

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NARA, DATE 12/31/99

Res. Division
File No. file A-4-C

CHUGOKU
INFORMATION:
O.D. 12
JAN 19 1951

AGRICULTURAL COOPERATIVE ASSOCIATIONS

1. Loan Funds Increased Through Special Deposits by Prefectural Governments.

a. A report submitted by Agricultural Cooperative Association Division, Ministry of Agriculture and Forestry disclosed data regarding special deposits made by 33 prefectural governments in cooperative financial institutions in order to enlarge the funds available for loaning to agricultural cooperatives and federations. Such deposits made through 1 December 1950 totalled ¥1,475,000,000. Some prefectural governments have made more than one special deposit in the prefectural credit federation or a branch office of the Central Cooperative Bank in order to increase the loanable funds of these institutions. Data regarding the special deposits made by each of the 33 prefectures is given in the table in Item.

b. A summary of data regarding the number of prefectures making such special deposits in various types of financial institutions, length of term of such deposits and interest paid thereon follows:

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(1) Number of prefectures which:

(a) Made special deposits with:

1. Credit federation	28
2. Branch of Central Cooperative Bank	4
3. Credit federation and a commercial bank .	1
(b) Not yet made deposit but have it under consideration	2
(c) Did not so far make any deposit	8
(d) No data available	3
TOTAL	46

(2) Number of deposits classified by length of term:

(a) Less than 3 months	5
(b) Longer than 3 months but less than 6 months . .	21
(c) Longer than 6 months but less than 1 year . . .	13
(d) 1 year	2
(e) 14 months	2
(f) 3 years	1
TOTAL	44

(3) Number of deposits classified by interest rates:

(a) No interest	2
(b) 1% to 3.99%	13
(c) 4% to 4.99% , ...	14
(d) 5% to 6.99%	6
(e) 7% and over	2
TOTAL	37

DECLASSIFIED E.O. 12333 SECTION 3.4(b), NND 968

ITEM ATTACHED TO COPIES OF THE WEEKLY SUMMARY FOR THE ATTENTION OF CIVIL AFFAIRS REGIONS

Special Deposits by Prefectural Governments for Making Loans to Agricultural Cooperatives and Federations

a. The amount of special deposits made by 33 prefectural governments in credit federations and branches of Central Cooperative Bank for Agriculture and Forestry to supply additional funds for loaning to agricultural cooperatives and federations, the length of term of such deposits and the rate of interest paid on such deposits were reported by the Ministry of Agriculture and Forestry. (Item)

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NARS DATE

Special Deposits In Cooperative Financial Institutions by Prefectural Governments Through 1 December 1950
(Unit 1,000 yen)

Name of Prefecture	Amount Deposited	Institution Receiving Deposits	Term of Deposit (months)	Annual Rate of Interest
Hokkaido	100,000	Credit Fed. 1/	3	6.935 %
Aomori	50,000	Credit Fed.	2 and 3	1.825 %
Iwate	20,000	Credit Fed.	4	4.2 %
Miyagi	30,000	Credit Fed.	3 and 4	8.03 %
Akita	ND	ND	ND	ND
Yamagata	50,000	Credit Fed.	3 and 5	5.2 %
Fukushima	30,000	Credit Fed.	7.5	7.3 %
Ibaraki	100,000	Joyo Bank	5	0 %
		Credit Fed.	1 and 2	0-1.825%
Tochigi	50,000	Credit Fed.	2	6.935 %
Chiba	Under Consideration			
Tokyo	50,000	Credit Fed.	36	5 %
Kanagawa	30,000	Credit Fed.	7	4.4 %
Niigata	40,000	Credit Fed.	3 and 10	4.2 %
Toyama	20,000	Credit Fed	6	4.4 %
Fukui	20,000	Credit Fed.	5	4.4 %
Yamanashi	Under Consideration			
Nagano	30,000	Credit Fed.	3.5	5.3 %
Shizuoka	ND	ND	ND	ND
Mie	30,000	Credit Fed.	3	3.8 %

1/ Prefectural Credit Federation of Agricultural Cooperative Associations.

DECLASSIFIED E.O. 12065 SECTION 3.3(b)(3)

Special Deposits In Cooperative Financial Institutions by Prefectural Governments Through 1 December 1950
(Unit 1,000 yen)

Name of Prefecture	Amount Deposited	Institution Receiving Deposits	Term of Deposit (months)	Annual Rate of Interest
Kyoto	20,000	Credit Fed.	3	ND
Osaka	90,000	Credit Fed.	6, 8, and 9	3.285 %
Wakayama	40,000	Credit Fed.	7	3.285 %
Tottori	20,000	Credit Fed.	6	4.0 %
Shimane	30,000	Credit Fed.	demand, 3, and 12	2.19-4.4%
Okayama	25,000	Credit Fed.	7	4.8 %
Hiroshima	50,000	Credit Fed.	10	4.5 %
Yamaguchi	30,000	Credit Fed.	12	0-6.935 %
Tokushima	ND	ND	ND	ND
Kagawa	50,000	Credit Fed.	7	4 %
Ehime	30,000	Credit Fed.	4	4 %
Kochi	50,000	C.C.B. Branch 2/	12	4 %
Fukuoka	120,000	C.C.B. Branch	10	1.46 %
Saga	20,000	C.C.B. Branch	3 and 9	2.92-3.8 %
Nagasaki	30,000	Credit Fed.	3.5	4.015 %
Kumamoto	40,000	C.C.B. Branch	2	2.19 %
Oita	15,000	Credit Fed.	3	4.2 %
Miyazaki	45,000	Credit Fed.	2 and 5	1,825 %
Kagoshima	120,000	Credit Fed.	1.5-6	2.19 %
Total	¥1,475,000		Demand to 36 months	0-8.03%

2/ Branch of Central Cooperative Bank for Agriculture and Forestry.

DECLASSIFIED E.O. 12065 SECTION 3.3(b)(4)

Mr. O'Brien - OB
Mr. Colehour
Mr. NRS
extract from NRS-00's

COPY

Nat. Res. Division
File No. A-4-G

CHUGOKU INFORMATION

CA-EN. 122

O.D. 12

CT

JAN -3 1951

AGRICULTURAL COOPERATIVE ASSOCIATIONS

Women's Activities of Agricultural Cooperatives.

a. An Instruction to the Chief of the Competent Division of each Prefectural Government issued by the Ministry of Agriculture and Forestry on 18 December 1950 states that:

(1) It is contrary to the Japanese Constitution and the Agricultural Cooperative Association Law to discriminate against women in the admission of members or in the conduct of cooperative activities.

(2) Cooperatives and federations should not promote women's divisions in which the constitution and program are developed by men and men serve as officers.

(3) Association sponsored activities for women should comply with stated standards regarding the initiative exercised by women, participation of women in cooperative affairs, and emphasis on subjects of special interest to women.

b. The text of the Instruction is as follows:

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DECLASSIFIED E.O. 12065 SECTION 3 402/NNSC NO.

TO: Chief of the Competent Division of Prefectural Government

FROM: Chief of Agricultural Cooperative Association Division, Ministry of Agriculture and Forestry

SUBJECT: Re: Formation of Women's Division of Agricultural Cooperative Association

Date: 18 Dec 50

Sound development of agricultural cooperatives requires both improved management and the rendering of superior services to meet the needs of farm families. Since the other members of farm families besides the head of the family utilize cooperative services, all members of farm families who qualify as farmers should be encouraged to become voting members of cooperatives to assure that their needs are met satisfactorily. In this connection it should be pointed out that it is contrary to both Article 20 of the Agricultural Cooperative Association Law and Article 14 of the Constitution of Japan to discriminate against women in admitting qualified applicants for membership. Any person regardless of sex who meets the qualifications for membership in a cooperative organized under the Agricultural Cooperative Association Law must be admitted as a member and be treated equally with other members in regard to all membership prerogatives. It is contrary to the spirit of both the Agricultural Cooperative Association Law and the Consitution for any cooperative or federation to conduct activities for women in a manner which has the effect of discouraging them from becoming voting members and/or participating activity in cooperative affairs on a basis of equality with other members.

DECLASSIFIED E.O. 12958 SECTION 3.4(b) NARS DATE

If it is considered desirable to conduct a special program for women to develop their ability to participate in cooperative affairs as voting members, it should be so conducted as to accomplish this objective as soon as possible. It is strictly required that officers and employees of cooperatives and federations shall not promote the formation of a women's division in which the constitution and program are developed by men and men serve as officers. Women members of cooperatives shall not be placed in a subordinate position in any way, but shall be accorded their constitutional right of equality with men in cooperative affairs.

Since cooperatives have the objective of improving the social status of farm people as well as advancing their economic position, cooperatives and federations are authorized by Article 10, Item 9 of the Agricultural Cooperative Association Law to carry on educational and cultural activities. The establishment of a women's division to carry on such educational and cultural activities to elevate the status of farm women is a matter to be decided by the sponsoring cooperative or federation of cooperatives. It may be initiated either by women members and women in the families of members, or by the cooperative or federation. However, participation by women should be fully voluntary. While such a program must serve primarily women members and women in the families of members, the activities may be open for participation by other women in the village. Any association which decides to sponsor activities for advancement of farm women either through a women's division or otherwise should comply with the following standards:

DECLASSIFIED E.O. 12065 SECTION 3.3(b)(6) NARS DATE

1. The role of a cooperative association with respect to women's activities should be that of an assisting agent furnishing facilities, necessary funds, information and advice. Women, should be encouraged to carry on the program by their own initiative and responsibility.

2. Activities for women sponsored by a cooperative must not serve to restrain the participation of women as members of the cooperative by relegating them to a subordinate position in cooperative affairs. Qualified women members should be utilized on committees and in other activities of the cooperative on a basis of equality with men.

3. A cooperative association sponsoring women's activities should place emphasis upon short courses, study meetings, and other programs to increase the knowledge of women in fields of special interest and importance to them, including cooking, sewing, health improvement, activities of the cooperative pertaining to home life, and participation in the cooperative as voting members. Whenever possible the services of responsible officials and specialists, especially women, should be utilized in the program.

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NARA, DATE 10/2/2012

Nat. Res. Division
File No. file A-4 G

I. PROCEDURE FOR GUIDANCE IN ADJUSTMENT AND RECONSTRUCTION OF DEPRESSED AGRICULTURAL COOPERATIVES SOON TO BECOME FINAL.

Being studied at Agricultural Management Measures Central Council.

"Procedure for guidance in adjustment and reconstruction of impro-perous Agricultural Cooperatives" is soon to be made final by the Central Agricultural Cooperative Management Measures Council, who is now studying measures for guidance in reconstruction of dull cooperatives. This follows the deciding of "Purchase Business Federation Adjustment Reconstruction Administration Procedure" some time ago.

Depressed Agricultural Cooperative Association Adjustment and Reconstruction Guidance Procedure.

Purpose:

Along with the economic astringency in the agrarian communities there has appeared, to no little extent, agricultural cooperatives, because of their weaknesses in financial base and mangement, they have fallen into business difficulties.

To effect reconstruction and adjustment such associations is an absolute requisite in promoting association movement. Therefore this council, as a guide for economic renovation, decided, as in following, on adjustment and reconstruction guidance procedure for dull associations.

Guidance Procedure

A. Action necessary to be taken by Management Measures Local Council.

1. The Local Council will clearly present basic policy in line with prevailing circumstance concerning reconstruction of the association as well as accelerating establishment of adjustment and reconstruction plan.

2. The organizations making up the Local Council and the prefectures will, after discussion and according to convenience, establish association guidance personnel (Instructors as will be called herein after). The instructors, bearing responsibility on allocated inactive associations, will provide guidance in forming adjustment and reconsturction plan, also will cooperate in its administration.

B. Establishment of the association reconstruction and adjustment committee and actions to be taken by same.

1. For the purpose of firmly establishing a cooperative stand

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DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NARA

of the general membership of the inactive associations a committee to adjust and reconstruct such associations (Reconstruction committee as will be referred to herein after) will be established, which will accelerate forming and realizing adjustment and reconstruction plan.

2. The reconstruction committee will be organized of association officers and corresponding number of membership representatives.

3. The superintendent will clarify asset contents, as well as auditting with the cooperation of instructors for the purpose of ascertaining cause of dull business, and will report results to reconstruction committee.

4. The reconstruction committee, in accordance with necessity, will request audit by the administrative office.

5. The reconstruction committee, when the contents of the assets and the cause of dullness is made clear as results of audit, will expedite forming of a sweeping adjustment and reconstruction plan based ~~with~~ the data obtained ~~as basis~~.

6. With regard to administration of the adjustment and reorganization plan, the members of the reconstruction committee, assuming responsibility of assigned district, or as the case may be by different programs, will cooperate. At the same time instructors will provide guidance by stationing himself in so far as possible at the association.

C. Measures to be taken by the associations (cooperatives) in forming an adjustment and reconstruction plan.

1. Adjustment of staff formation.

a. Main point in renovation of the association management lies in adjustment of the staff set-up. Therefore for officers the persons with outstanding managing ability, has membership's confidence, and has deep interest in reorganizing management will be employed.

b. Number of personnel should be concurrent with proportionate to business contents and they should be placed where they properly fit.

c. Promote clerical efficiency by invigorating personnel's activities and by having more attention paid in research and study in the clerical work of association management.

d. Reorganize clerical setup and for the purpose of clearly showing where the responsibility lies, will establish "responsibility" (duty) system.

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NARA DATE 1/1/2000

2. Adjustment and reorganization of finance.

a. Carry out systematically disposal of unnecessary fixed assets and stock goods; collection of fixed loans, due interest on loans, collectable charge accounts and such.

b. Re compensation of debts, a sound reimbursement plan shall be formed on which creditors acknowledgement will be secured whereby a rush-collection will be eased. Also other appropriate measures will be taken in this respect.

c. Measures such as increase of capital and others will be taken to replenish losses that came to light as results of financial adjustment process.

3. Improvement of management.

a. For the purpose of establishing self support in the way of funds for management, will make efforts in increase in deposits - emphasis will be placed on time deposits which will allow long term and secure funds.

b. Establish finance plan which consistently maintains harmony between working funds such as those for loans sales and purchase against deposit payment funds so as to cause no hindrance nor irregularity in the latter.

c. Limit purchase service to handling material requisite for production such as fertilizer, farming implements and agricultural chemicals. Also in dealing with such material order-in-advance system shall be used and there will be no credit sales.

d. Marketing service will limit its operations to dealing with important agricultural products within area receiving goods from members on consignment basis and will expedite collection of money for said products.

e. In management of each of the various services the organizations-in-line will be fully utilized.

f. As well as increasing income and cutting expenses to secure gains, appropriate account system will be set up to effect prompt and accurate bookkeeping which will at all times leave financial status in clear condition.

g. Appropriate audit regulation will be formed, and the inspector on a monthly basis will make inspections as to whether or not there are mistakes, or incorrectness, also the condition of progress in administration of various plans.

DECLASSIFIED E.O. 12065 SECTION 3 102, MRD NO.

II. ALL JAPAN GUIDANCE FEDERATION PRESENTS ITS OPINION RE CABINET ORDNANCE CONCERNING PARAGRAPH 2, ARTICLE 52, AGRICULTURAL COOPERATIVE LAW

As per the Information #75 Cabinet Ordnance based on 2, Art. 52, Agricultural Cooperative Law was decided to be restudied. All Japan Guidance Federation compiled a draft for Cabinet Ordnance as in following and submitted same to the MAF and other concerned sources.

(Standard for own capital and prearranged investment deposits)
(Gist)

Article 1. The total amount of capital and deposits prearranged for investment of a unit or federation of cooperative associations engaged in credit service shall exceed the total of amounts defined in the following paragraphs.

(1) The amount of fixed assets owned by cooperative or credit service federation in concern (the remainder of money loaned-in for the purpose of acquiring fixed assets on which payment time has not come is exempted).

(2) Paid-up investments to Agricultural Cooperative Association Federation and/or Agricultural-Forest Central Bank of which cooperative association or federations of credit service associations are members.

(Classification of Accounts)

Article 2. Cooperative Associations must keep separate book accounts on credit services and services other than credit.

2. Bookkeeping on credit service is referred to in the foregoing paragraph shall include; (a) as assets the cash, deposits with banking agencies, security bonds, money loaned out and other credits (b) as debit the deposits by numbers, money loaned in in connection with credit business and other liabilities, (c), as income the interest on money loaned out,- deposits with banking agencies, and securities, (d) as expenditure the interest for deposits from membership and for money borrowed in connection with credit business. As for bookkeeping concerning business other than credit, assets debit, income, and expenditure that do not concern accounts for credit business.

(Standards for loans from credit service accounts to accounts other than credit services)

Article 3. Loans from the accounts of credit services to accounts of services other than credit shall not exceed amount corresponding to 30/1000 of the total amount of deposits. However, the

DECLASSIFIED E.O. 12958 Section 3.3(b)(6)

advance money for sales as designated by the Minister concerned shall be excluded.

(Standards for deposits intended and held for payment of deposits)

Article 4. The cooperatives and federations of cooperatives shall deposit with the credit service federation or Agricultural-Forestry Central Bank as deposit in preparedness for withdrawals, the amount shown or more in the following items (deposits reserved for investment excluded) in readiness for payment of withdrawals.

(1) Amount corresponding to twenty-one hundredths of the on-demand deposits.

(2) Amount corresponding to ten-one hundredths of the deposits other than that mentioned in preceding items.

(Standard for loans)

Article 5. Cooperative association in making loans to cooperative members it must follow the standards as defined on the following items.

(1) Amount of loan to individual cooperative members (those designated by the minister concerned excluded as will be same herein after) shall not exceed amount corresponding to 10 one hundredth of the sum of own capital plus deposits preparatory for investment. The total amount of loans to cooperative association members, relatives in same house-hold, and spouse shall not exceed twenty-one hundredths of own capital plus deposits in preparatory for investment.

(2) Total amount of loans for a period exceeding one year and less than 3 years shall not exceed 50 one hundredths of the amount given in items 1 and 2 of Art. 4, and also shall not exceed 10 one hundredths of the entire amount of deposits.

(3) Total amount of loans (out) exceeding 3 years, in its period, shall not be more than the total amount loans (in) of the cooperative association concerned, with period exceeding 3 years.

(4) The total amount of loans to individual cooperative asso-ciation members shall not exceed 20 times the total amount of the concerned member's paid-up share plus deposit preparatory for investment (to increase capital? - H.T.S.)

DECLASSIFIED E.O. 12065 Section 5.3(b)(3)

(Standard for employment or manipulation) - H.T.S.

Article 6. Cooperative associations shall not employ reserve money for other than the following purposes.

(1) Deposits with federations of credit service (associations) or with AG Central Bank.

(2) Deposits with banks and other banking agencies.

(3) For the purpose of acquiring national bonds, local debentures or debentures issued by the AF Central Bank and other banking agencies.

(Supplementary regulations omitted - H.T.S.)

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO.

III. PETITION FROM COOP ASS'N TAXATION COUNTER MEASURES CONFERENCE RE TAXING COOPERATIVE ASS'NS.

The Coop Ass'n Taxation Counter Measures Conference consisting of All Japan Guidance Federation, All Japan Marketing Federation, All Japan Purchase Federation, Coop Ass'n Credit Society, All Japan Credit Ass'n Society Fishing Community Economy Society, and Japan Coop Ass'n League has presented to the National Diet a petition itemized as in following.

1. Exemption or cut in the tax rate of "added value tax" for cooperative ass'ns.

2. For cooperative ass'ns, with regard to fixed assets tax, exempt them from tax or effect a low tax rate.

3. Concerning citizens tax not to effect it on branch offices (sub-ordinate offices) but on the cooperative ass'n as a unit juridical person.

IV. COMPENSATION FOR LOSS IN PRICE-CUTTING OF INCENTIVE GOODS DECIDED AT CABINET CONFERENCE.

Concerning "cut-price distribution of '49 incentive goods and compensation for loss therein a campaign has been going on since the end of last year with the ag coops taking the major part. The government at its Cabinet Meeting on 21 July decided on policy to pay out a national subsidy of 565,000,000 yen to compensate for loss. In accordance with said decision a draft on low concerned is scheduled to be presented to the coming national diet meeting. Furthermore, aside from the 565,000,000, yen the gain seen at the time of price-raise on clothing in July last year which amounts to 334,000,000 yen possibly will be added. Which means that a total of 899 million yen will be directed to compensating for the loss. (Draft omitted. H.T.S.)

V. EXTENSION AND STRENGTHENING OF THE AGRICULTURAL DISASTER RELIEF SYSTEM REQUESTED

At the National Agricultural mutual relief grand meeting

National Agricultural mutual relief grand meeting was held on 21 July at the Lecture Hall of the Nagata-cho Primary School where extension and strengthening of agricultural disaster relief system was discussed. A decision was made on 7 items such as (1) lessening of the farmers burden (2) reinsurance action of optional mutual relief etc.

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO.

Decision

A. Lessening the farmers burden.

1. Increase the government's share of the mutual relief premiums.

a. That total amount of the mutual relief premium be borne by the Government Safe in case the damage encountered by the main agricultural crops is from natural disasters such as wind, water, cold, thunder, or drought.

b. That the Government Safe bear one half of the mutual relief premiums for cases where the main agricultural crops are subjected to damage by disasters other than those of natural nature such as disease or insect damage.

c. That the Government Safe bear one half or more of the mutual relief premiums in case of damage or disaster to cocoon livestock, farm buildings, and farming implements.

2. Increase amount of clerical expense for agricultural mutual relief organizations borne by the National Bank.

a. That the National Bank bear expense for at least 3 personnel for city town, and village agricultural mutual relief organizations.

b. That the National Bank bear the expense for 12 of the personnel at the Federation of the To, Do, Fu or prefectural agricultural mutual relief associations Hq. and 6 at their branches.

B. Financing.

1. Establishment of "base fund" system.

a. For the purpose of speeding up payment of reinsurance money there should be established within the special accounts for reinsurance of agricultural mutual relief a base fund needs to be set up.

2. Disposal of deficit.

Take such measures as either for the government to compensate forthe deficit at To, Do, Fu, or prefectural Federations, or provide a long term loan and supply interest on same.

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO.

C. Disaster prevention and elimination measures.

To have agricultural mutual relief bodies get in cooperative fighting formation against insect and disease hazards and the government subsidize on necessary chemicals utensils and material.

D. Tax exemption measures.

No national nor local tax be placed on mutual relief money.

E. Reinsurance action on optional mutual relief.

Take legislative steps immediately to enable administration of reinsurance of the optional mutual relief handled by the To, Do, Fu or Pref Federation of Agricultural Mutual Relief organizations at the National Agricultural Mutual Relief Society.

F. Establishment of system to pay-in-kind the premiums.

Take legislative procedures to set up two parallel systems in payment of premiums, one in cash and the other in kind.

G. Extension of limitation placed in compensating in single crop areas.

Extend compensation limit for single crop areas from purrent 50% to 80%.

Above is our decision.

VI. Mr. Rokutaro Matsumoto appointed by the Board of Directors as the chairman of All Japan Federation of Guidance associations on 24 July. Vice-chairman's seat was filled by Mr. Ashida, Katsumi by appointment.

VII. DESIRES EXPRESSED BY AGRICULTURAL ORGANIZATIONS ON FISCAL '51 AGRI-FORESTRY BUDGET.

The Agricultural Rehabilitation Conference collected opinions from the various agricultural organizations in connection with AF '51 budget about to be formed. This was summarized as in following and submitted to the government on the 17th.

1. Reinforcement of foundation for production, not only through price regulation or policy but by positive expenditure of national funds, cut down production cost, and to strengthen export capacity.

DECLASSIFIED E.O. 12958 Sec. 3.5

a. With recent trend of drastic increase of disaster hazards in view place emphasise most strongly on forest conservation and flood control.

b. Carry out restoration of disaster damage as a priority program on farm land and agricultural facilities, also will give consideration to disaster preventive facilities.

c. Major scale land improvement projects on cultivated land shall by areas be emphatically and positively carried out. In carrying out small scale projects also, funds should be sent out and loans be made.

d. Take measures for placed settlers to be put on a fully self sustaining managing basis and also effect placing of new settlers and increase in acreage. At same time big scale increase in agricultural land will be endeavoured through building-up and draining water sides.

2. Rationalization and Stabilization of Farm Management.

a. Elevation to higher standards the production methods employed in agriculture by induction of animal, machinery, and electrical powers. Rationalization through effecting cooperativation(?) and Agricultural Land Consolidation as well as in accordance with geographic environmental and economic conditions attach livestock to farming on self-sustained livestock feed basis or improving farming methods in reclaimed land areas.

b. With regard to compensation for damage, such as natural disasters or insect and disease hazards, improve the currently applied Agricultural Disaster Damage compensation System by increasing the amount of insurance and expanding its scope of eligibility.

3. Control of Staple Foods Leave to remain the Mugi delivery system thereby ensure just rationing of staplefoods at same time support price that enables reproduction. Simultaneous to thus stabilizing agricultural management administer with special emphasis the following items.

a. Give recognition to the general accounts to bearing administrative expensive in connectiom with the utilization of Special Accounts for Food Control. Also recognize unlimited issuance of foodstuffs certificated to meet the actual goods.

b. Take measures to replenish and expand agricultural warehouses.

DECLASSIFIED E.O. 12958 SECTION 3.3(b)(4)

4. Promotion of Export.

Take measures to; increase production of agricultural products suitable for export purposes, have at hand conditions of the markets abroad, and replenish export agricultural product inspection system.

5. For the purpose of improving the "circulation system" in agriculture and forestry, guide and assist cooperative associations thereby realize a healthy growth , and at same time establish facilities for improvement in marketing agricultural products, replete agricultural or cocoon-drying warehouses and joint freezer houses and such facilities, and most of all ensure price stability.

6. Strengthen and adjust coop ass'n banking system, immediately realize inducement of long-term funds by acceptance of AF debentures by desposit department funds. Also open a way for supplying interest in case of land improvement, afforestation etc.

7. Completion of experiment and research agencies and extension of technic.

8. Reorganization of statistical investigation set-up for AF & marine production.

9. (a) Lend weight to consideration of land improvement projects with the objective of improvement of single crop area to dual crop area. (b). Lay emphasis on securing and effective utilization of animal for breeding purposes, thereby effect improvement and increase in livestock also lend emphasis on pasture land management and implementation, (c) afforestation, exploitation of inland forests, and forming of forest plan and its administration, (d) Take budgetary action necessary for reorganization and strengthening of agricultural cooperative associations, (e) reorganize and strengthen the agricultural land commission, agricultural adjustment committee, and agricultural improvement committee, increase national expenditure on it and thereby reduce the farmers' burden as well as seeing that said commission and committees are strengthened in guidance power.

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6) NARS DATE 1/2/2011

Mr. O'Brien DPO

Nat. Res. Division
File No. A-4-G

CHUGOKU
INFORMATION
O.D. 12.
NOV. 22 1950

THIS MATERIAL WILL APPEAR IN A FUTURE NRS - WEEKLY SUMMARY:

Cabinet Order for Establishing Standards for Financial Activities of Agricultural Cooperative Associations

a. The Cabinet of the Japanese Government on 10 November 1950 approved a Cabinet Order which establishes standards for financial activities of all agricultural cooperative associations and federations of such associations organized with capital stock. The Order specifies (1) the amount of capital which such associations must have in relstion to the value of their fixed assets and their investment in federations, (2) the keeping of ledger accounts for credit services separately from those for other services, (3) the maximum amount of deposits which general purpose cooperatives can use in financing their business operations, (4) the amount of reserves to be maintained for repayment of deposits, (5) the amount of loans for terms longer than one year that can be made from time and demand deposits, (6) the amount which can be loaned to any borrower in relation to (a) the value of its fixed assets, (b) its investment in the lending cooperative or federation, and (c) the capital of the lending cooperative or federation, and (7) the uses which can be made of idle money. Supplementary provisions set forth time schedules for the application of the various standards to cooperatives and federations which do not come up to these standards on their effective dates. The text of the Cabinet Order is reproduced on page.

b. It is estimated that compliance with the standard for member capital investment set forth in Article 2 of the Cabinet Order will require a total investment by farmers of approximately 15 billion yen. Present

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member investment in local cooperatives is reported by the Ministry of Agriculture and Forestry to amount to five billion yen. The Ministry estimates on the basis of the increase in capital investment during the past year that farmers can add to their investment in cooperatives at the rate of approximately two billion yen per year provided annual net farm income does not decline belop present levels. The Cabinet Order requires the increase of capital at this rate in order that cooperatives and federations can comply with the standard for member investment at the end of five years.

c. Since the accumulated savings and deposits of farmers constitute a major source of credit for Japanese agriculture, these funds have to be used judiciously if the essential financial requirements of farmers, cooperatives, and federations are to met. The Cabinet Order provides a guide for the officials of local cooperatives and credit federations in utilizing farmer deposits in making loans to member farmers and to cooperatives and federations providing farmers with essential services. It also restrains the officials of local general purpose cooperatives from using an undue amount of member deposits in financing other services performed for the members. If the seasonal needs of farmers for extra credit to finance crop production can continue to be met with funds from outside agriculture, adherance to the standards set forth in the Cabinet Ordershould enable general purpose cooperatives to utilize member deposits to finance directly and indirectly services required by farmers and return these funds to members upon request.

DECLASSIFIED E.O. 12065 SECTION 3.3(b), NARA

TO : GOVERNOR OF EACH PREFECTURE

FROM : Chief of Agricultural Administration Bureau,
Ministry of Agriculture and Forestry

SUBJECT : Regarding the Cabinet Order for Establishing the Standards for Financial Activities of Agricultural Cooperative Associations and Federations Thereof

NUMBER : 25 Nokyoku NO 2129

An act partially amending the Agricultural Cooperative Association Law to add the provisions of Article 52-2 to the said Law was passed by the Seventh Diet. Following the said amendment of Law, it was decided to promulgate a Cabinet Order for establishing standards for financial activities of cooperatives and federations thereof in order to clarify the financial relations between a cooperative or federation and its members and also to safeguard the financial interests of members. Since then the Government has been closely investigating the new provisions and studying the import thereof for several months and now has come to enact the present Cabinet Order.

Those matters which require your special attention in the operation of this Cabinet Order are as follows and your special consideration is hereby requested with your full understanding of the purport of them so that satisfactory results from the guiding of those cooperatives and federations under your jurisdiction through your personnel concern and by keeping in close contact with the Local Counter-Measures Council for Improving the Management of Agricultural Cooperative Associations can be expected.

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1. The ultimate object of this Cabinet Order is to clarify the financial relation between a cooperative or federation and its members and to safeguard the financial interests of the members as far as possible. For this purpose it is necessary that the financial activities of cooperatives and federations thereof be managed appropriately. This Cabinet Order provides the minimum standards necessary for making the management of financial activities of cooperatives or federations sound, in other words, the standards given in this Cabinet Order are the "necessary conditions" to which all cooperatives or federations are requested to conform. They are not the "full conditions" for cooperatives or federations. For instance, they are requested to have sufficient capital to cover their constant working capital, although such requirement is not provided in this cabinet order. Cooperatives or federations, therefore, are requested to make necessary efforts for strengthening their financial foundation, regarding the standards stated in this Order as the lowest ones. It may seem to those cooperatives or federations the financial activities of which have been unsound thus far that the standards prescribed in this Cabinet Order are very hard to conform with, but this indicates that their present financial conditions are too far from their proper state and are in grave condition. It shows further that the prompt improvement of their management is required.

With regard to those cooperatives or federations thereof which are below the standards at present, they have of course to make a sincere effort to come up to the standards as soon as possible regardless of the

DECLASSIFIED E.O. 12065 SECTION 3 NLJ/RAC

legal delay in the date they become effective and the temporary standards during such periods of legal delay provided for in the Supplementary Provisions. But even with respect to those cooperatives and federations which just come up to the standards, they should not be satisfied with such situation. They must make a strong effort to increase member investment to attain the highest standards of financial soundness and rationalize the use of such increased capital.

Not only this, but also the members should keep in mind clearly that to seek the soundness of "their own cooperative or federation" and the development of the association as a whole to which they are affiliated is the way to labor for the elevation of their financial as well as their social position and that they should positively cooperate with their association for their mutural benefit. Thus, when the soundness of their financial activities and the independence of their management are maintained, cooperative or federations are able to perform their proper mission which is to render the greatest service for their members.

2. Members of cooperatives are investors and also saving depositors in such cooperatives. Further more they receive services from cooperatives as the utilizers of various facilities operated by such cooperatives. Meanwhile members of credit federations are concurrently organizers of federations engaging in business activities other than credit. With regard to the management of financial activities of cooperatives, the firm establishment of the soundness of credit services should be sought and at the same time attention must be paid to the promition of other essential services concurrently.

DECLASSIFIED E.O. 12065 SECTION 3 (d) NARS DATE

So, with respect to credit federations, they should seek to firmly establish their own soundness and at the same time they must consider the safe financing of the business operation of federations engaging in services other than credit and thereby really contribute to the successful progress of cooperatives and federations which are members of such credit federations.

Although this Cabinet Order deals only with financial matters such as firmly establishing the soundness of the credit activities of local cooperatives and credit federations, correcting the careless handling of funds practiced in the past, preventing freezing of operating capital, and safeguarding the interests of depositors, consideration must be given to the other functions of a cooperative in enforcing this Cabinet Order.

DECLASSIFIED E.O. 12958 SECTION 3.4(b)(NND) NO. _____

Cabinet Order for Establishing the Standards for Financial Activities of Agricultural Cooperative Associations and Federations Thereof

Cabinet Order Number 337 November 16, 1950

In accordance with the provisions of Article 52-2 of the Agricultural Cooperative Association Law (Law No. 132 of 1947), the present Cabinet Order is hereby enacted by the Cabinet.

(Definition)

Article 1. In the meaning of this Cabinet Order, the "cooperative" shall be an agricultural cooperative association which requires its members to invest in its capital stock in accordance with the provisions of paragraph 1 of Article 13 of the Agricultural Cooperative Association Law (hereinafter referred to as the "Law"), and the "federation" shall be a federation of agricultural cooperative associations which requires its members to invest in its capital stock in accordance with the provisions of the aforesaid paragraph.

2. In the meaning of this Cabinet Order, "own-capital" shall be the sum total (in case where there are losses brought forward, the remaining amount after deducting such losses) of member capital excluding subscribed capital payment for which is not yet due and capital reserves (any funds, no matter the names of funds such as "jumbikin" (reserve for contingencies),

DECLASSIFIED E.O. 12958 Sec. 3.5

"tsumitatekin" (reserve funds attributable to stockholder), etc., set aside as a reserve from the net savings and which come under the capital account), the "capital increase deposits" shall be the special deposits under agreements by members to increase their capital investment at a specified date in the future.

(Standards of own-capital and capital increase deposits)

Article 2. The sum total of own-capital and capital increase deposits of a cooperative or federation shall be more than the sum total of the book value of fixed assets owned by the cooperative or federation concerned and paid-up capital in the federations of which the cooperative or federation concerned is a member and in the Central Cooperative Bank for Agriculture and Forestry, and moreover it shall exceed 140 percent of the book value of fixed assets owned by the cooperative or federation concerned.

2. The not yet due balance of any loan made for acquiring or expanding fixed assets may be deducted in computing the value of fixed assets specified in the preceding paragraph. In cases where the term of the loan exceeds one year, only loans which the borrower has agreed to repay in periodic instalments can be deducted.

(Keeping of separate accounts)

Article 3. Cooperatives concurrently engaging in those functions (including those activities incidental to such functions) specified in Article 10 paragraph 1 items (1) and (2) of the

DECLASSIFIED E.O. 12065 Section 5.3(b)(3)

Law shall, in accordance with the provisions of the following paragraph, keep ledger accounts of these functions (hereinafter referred to as "credit services") separately from those functions other than credit services.

2. With respect to accounts concerning the credit services, cash, deposits, securities, loans, and other claims regarding credit services shall belong thereto as assets accounts; deposits of members and other obligations of the credit services as liabilities accounts; interest on loans, interest on deposits, interest on securities, and other gains concerning credit services as revenue accounts; and interest on deposits and other expenditures concerning credit services as outlay accounts; and the accounting concerning the functions other than credit services shall maintain separate assets, liabilities, revenues, and disbursements accounts for these services other than credit services.

(Standards to employment of the funds of the credit services in financing other functions)

Article 4. Loans made from the accounts concerning credit services of cooperatives engaging in credit activities to the business services other than credit shall not be more than 20 percent of the money deposited in the cooperative concerned (excluding capital increase deposits) plus the capital increase deposits.

(Standards for reserves for the repayment of deposits)

Article 5. Cooperatives and federations engaging in credit services shall, for the purpose of assuring the repayment of deposits to

DECLASSIFIED E.O. 12333 SECTION 3.3(b)(6)

members, deposit in cooperatives or federations engaging in credit services, Central Cooperative Bank for Agriculture and Forestry, other banks, or post-offices more than sum total of the amounts specified in the following items:

(1) The sum equivalent to 20 percent of the deposits payable on demand;

(2) The sum equivalent to 10 percent of the deposits (excluding capital increase deposits) other than those specified in the preceding item.

(Standards for loaning)

Article 6. The total amount of loans made for the term of mpre than one year by a cooperative or federation (excluding the amount of loans made from the funds which a cooperative or federation borrowed for the similar period and purpose of such loaning) shall not exceed whichever is larger, the amount equivalent to 20 percent of the deposits other than the demand deposits or the amount equivalent to 10 percent of the total amount of deposits.

2. The amount of loans made for acquiring or expanding fixed assets shall not be more than the amount equivalent to 75 percent of the price paid for the acquisition of the fixed assets concerned or the increased value of the fixed assets concerned after the expansion.

3. When a cooperative engaging in credit services makes a loan to a member, it shall do so in conformity with the standards specified in each of the following items:

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(1) The amount of loans made to one member (excluding the amount of loans for which deposits and securities of the member concerned have been pledged as security; and the amount of loans designated by the competent Minister; and the same exclusions shall apply to other sections of this paragraph) shall not be more than 10 percent of sum total of own-capital and capital increase deposits of the cooperative concerned ; provided the sum total of loans made to the said member and to other members of the cooperative who are members of the same family shall not exceed 20 percent of the total amount of own-capital and capital increase deposits of the cooperative concerned;

(2) The amount of loans made to one member shall not exceed 20 times the total amount of his capital and his capital increase deposits in the cooperative concerned.

4. When a federation engaging in credit services makes a loan to a cooperative which is a member of the said federation, the provisions of the preceding paragraph shall be applied thereto with necessary modifications.

5. When a federation engaging in credit services makes a loan to a federation which is a member of the said federation, the provisions of paragraph 3 item (2) shall be applied thereto, mutatis mutandis.

6. When a cooperative or federation engaging in credit services makes a loan to a person other than a member of such cooperative or such federation, such person shall be regarded as a share-

DECLASSIFIED E.O. 12065 SECTION 3.3(b)(3)

holder of such cooperative or such federation holding one share only and the provisions of paragraph 3 shall be applied thereto with necessary modifications; provided this shall not apply to loans made to an agricultural cooperative association or such juridical person as is established for non-profit purposes and which is located in the area of such cooperative or of such federation but is not qualified for membership in such cooperative or federation.

(Standards for employment of idle money)

Article 7. A cooperative or federation shall not use its idle money for purposes other than following:

(1) Deposits in the cooperative or federation which engages in credit services; Central Cooperative Bank for Agriculture and Forestry; other banks; or post offices;

(2) Acquisition of Government bonds; local bonds; or debentures issued by the Central Cooperative Bank for Agriculture and Forestry or other banking institutions.

Supplementary Provisions

1. This Cabinet Order shall come into force as from the day of its promulgation; provided the provisions specified in Article 6 paragraphs 3, 4 and 5 shall be enforced as from the day after the lapse of one year, three years, and five years, respectively, reckoning from the day of enforcement of this Cabinet Order.

2. In cases where the total amount of own-capital and capital

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increase deposits of a cooperative or federation does not come up to the standards specified in Article 2 at the time of enforcement of this Cabinet Order, the provisions of the same Article shall not be applicable thereto for five years reckoning from the day of enforcement of this Cabinet Order.

3. With respect to such cooperatives and federations as are specified in the preceding paragraph, the percentage of the total amount of its own-capital and capital increase deposits computed against the total amount of the value of the fixed assets specified in Article 2 and capital paid-up and the percentage of the former computed against the value of fixed assets specified in the same Article shall be more than the respective percentage listed in the second and third columns of the following table by the respective date listed in the first column of the same table:

Date	Percentage	Percentage
March 31, 1951	55%	75%
March 31, 1952	62	90
March 31, 1953	75	105
March 31, 1954	85	120
March 31, 1955	95	135

4. The provisions of Articles 3 and 4 shall be applicable as from the beginning of the business year following the business year in which the day of enforcement of this Cabinet Order

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occurs. Where a cooperative engaging in credit services is in violation of the standard (20 percent) prescribed in Article 4 at the beginning of the following business year, the applicable standard shall be modified as "35 percent" during the period from the day of the application of this Cabinet Order to March 31, 1952; "50 percent" during the period from April 1, 1952 to March 31, 1953; and "25 percent" during the period from April 1, 1953 to March 31, 1954.

5. In case where a cooperative or federation is in violation of the standard prescribed in Article 5 or Article 6 paragraphs 2 or 6 at the enforcement of this Cabinet Order, these provisions in question shall respectively be applicable as from April 1, 1951.

6. In case where a cooperative or federation is in violation of the standard prescribed in Article 6 paragraph 1 at the enforcement of this Cabinet Order, the provisions of the same paragraph shall be applicable as from the day after the lapse of one year (three years in case of federation) reckoning from the day of enforcement of this Cabinet Order.

7. In case where a cooperative or federation holds securities other than those securities listed in Article 7 item (2), such cooperative or such federation may, regardless of the provisions of the same Article, use the idle money for holding these securities.

DECLASSIFIED E.O. 12065 SECTION 3 (E), NARS DATE

Mr. Colebourn then →

Nat. Res. Division
File No. A-41-G

NR

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Affairs Section
APO 500

16 NOV 1950

080 (16 NOV 1950) CAS-EN

SUBJECT: Rural Women's Cooperative Organizations

TO: Chief, Chugoku Civil Affairs Region, APO 182
Chief, Hokkaido Civil Affairs Region, APO 309
Chief, Kanto Civil Affairs Region, APO 500
Chief, Kinki Civil Affairs Region, APO 15
Chief, Kyushu Civil Affairs Region, APO 1105
Chief, Shikoku Civil Affairs Region, APO 1050
Chief, Tohoku Civil Affairs Region, APO 7
Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

1. The establishment of agricultural cooperative associations and federations of associations throughout Japan provided a vehicle to care for many of the farmer's business problems. Since farming, to a larger extent than most business pursuits, is a family enterprise a great deal of interest has developed in those activities primarily of interest to women. In many communities the cooperative being the principal, and often the only group, with a civic interest has been groping for some means to give attention to those problems of primary interest to women. As a consequence, there have been many reports from Civil Affairs regions of women's "departments" in cooperatives and of women cooperatives. Differentiation has not always been made between the separation of women members' interest from the men's interests within the cooperative and the establishment of a distinctively separate organization, devoting itself to activities primarily of interest to women. For those concerned with this problem the following comments may be of interest.

a. Any person regardless of sex who meets the qualifications for membership in a cooperative organized under the Agricultural Cooperative Association Law, Law 132, 1947, must be admitted as a member and be treated equally with other members in regard to membership prerogatives. The rights of an eligible applicant for membership in a cooperative are clearly defined in:

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(1) Article 14 of the Japanese Constitution which specifies that all of the Japanese people are equal under the Law and that there shall be no discrimination in political, economic or social relations because of sex.

(2) Article 20 of Law 132, 1947, which provides that "An eligible applicant for membership shall not be refused by a cooperative association without sufficient reason nor shall any special condition not imposed upon other members be attached to such application."

b. The objective of Law 132, 1947, is to enable farmers to improve their economic and social status through cooperative action. The sponsoring of a program to elevate the status of farm women is a permissible activity for any cooperative or federation of cooperatives which by its articles of incorporation is authorized to engage in functions specified in Article 10, Item 9 of the law. The encouragement of such a program is a matter to be decided by the sponsoring cooperative or federation of cooperatives. The establishment of an autonomous women's cooperative for administering such a program is a matter for voluntary action by the women themselves. If an agricultural cooperative or federations of these associations decides to sponsor activities for advancement of farm women it should comply with the following standards:

(1) The role of a cooperative with respect to women's activities should be that of an assisting agent furnishing facilities, necessary funds, information and advice.

(2) Activities for women sponsored by a cooperative must not infringe upon the participation of women as members of the cooperative by relegating them to a subsidiary position in cooperative affairs.

(3) A cooperative sponsoring women's activities should place emphasis upon programs to increase the knowledge of women in fields of special interest and importance to them. Whenever possible the services of responsible officials and specialists especially women should be utilized in the program.

2. Ministry of Agriculture and Forestry officials are preparing appropriate instructions to inform prefectural government officials of the policies stated in paragraph 1b(1), (2) and (3). These instructions will be published in the NRS Weekly Summary.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

J. A. O'BRIEN
CWO USA
Adm Off

DECLASSIFIED E.O. 12356 Section 3.3

Nat. Res. Division
File No. A-4-G

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
Civil Affairs Section
APO 500

14 NOV 1950

121 14 NOV 1950 CAS-EN

SUBJECT: Embezzlement of Agricultural Cooperative Funds

TO: Chief, Hokkaido Civil Affairs Region, APO 309
Chief, Tohoku Civil Affairs Region, APO 547
Chief, Kanto Civil Affairs Region, APO 500
Chief, Shikoku Civil Affairs Region, APO 1050
Chief, Chugoku Civil Affairs Region, APO 182
Chief, Kinki Civil Affairs Region, APO 15
Chief, Kyushu Civil Affairs Region, APO 1105
Chief, Tokai-Hokuriku Civil Affairs Region, APO 710

1. Cases of embezzlement are not new to Japan but the organization of a large number of Agricultural Cooperative associations and Federations of associations which handle a relatively large amount of member's money together with a certain laxity on the part of the membership has provided an excellent opportunity for the unscrupulous to seize money not their own. Not only is this illegal but robs the cooperative of its working funds. A like situation arises when the cooperatives funds are dissipated by mismanagement.

2. The reaction of the officers of cooperatives when loss of funds, from whatever reason, comes to light varies. In one case, a cooperative officer allegedly embezzled ¥13 million from the national sales federation and ¥4.6 million from the prefectural sales federation of which he also was a director. The prefectural government and a committee from the cooperatives feared that a panic on the part of individual members would result in a run to withdraw deposits from all member cooperatives in the prefecture if the facts were made known to them. A plan was proposed to withold this information from the general membership until a loan could be negotiated with which to bulwark the cooperatives against such a run.

3. The following comments on this situation are of interest to all concerned:

a. The outstanding success achieved by agricultural cooperatives during 1950 in solving their financial difficulties under procedures contained in Ministry of Agriculture and Forestry Instruction on Meeting Credit Difficulties of Agricultural Cooperatives, 15 April 1950, (Natural Resouces Section Weekly Summary No. 235), has done much to disprove the

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DECLASSIFIED E.O. 12958 Sec. 3.5

121 ( )CAS-SN
Subj: Embezzlement of Agricultural Cooperative Funds

contention of some Japanese Government officials that disclosure to cooperative members of facts pertaining to financial irregularities in their cooperatives will cause financial panics. Japanese reports indicate that in numerous instances such action actually served to stimulate member support and influence in cooperative affairs. On the basis of information available, it is believed that the publicizing of derelictions of duty on the part of cooperative officials, especially to the members concerned, is effective in restoring confidence of members in their cooperatives, and in strengthening the loyalty of cooperative officials. It is suggested that such a procedure be followed in the case reported in basic communication.

b. A Cabinet Order being formulated, is designed to bring about more effective regulation of the financial activities of cooperatives. Since no system for fidelity bonding exists in Japan, the inclusion of bonding requirements in the proposed Cabinet Order is not feasible.

c. The Japanese Government has taken action to increase surveillance over agricultural cooperative activities. Law for Partial Amendment of Law 132, 1947, Law 157, 1950, amending Article 94, Law 132, 1947, requires an annual audit by government officials of the accounts of all cooperatives engaged in banking activities and all cooperatives serving a prefectural or larger area. This additional supervision should discourage acts of dishonesty by cooperative officials through disclosure of irregularities, and prosecution of officials responsible for irregularities.

d. The cited embezzlement case has been discussed by this headquarters with officials of the Ministry of Agriculture and Forestry. The Ministry in turn has initiated an investigation of the case. Results of the investigation, when completed, will be published in the Natural Resources Section Weekly Summary.

e. Cases of violations of law (for example, embezzlement) which do not receive prompt attention by proper Japanese law enforcement officials are suitable subjects for pointed inquiry by Civil Affairs personnel.

FOR THE CHIEF, CIVIL AFFAIRS SECTION:

RECORDED C.A.D. GHQ USA Adm Off

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO.

A-H-G

HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
APO 182

4 October 1950

CCAR 403 (D-B1)

MEMORANDUM FOR: Governor of Yamaguchi Prefecture
HIROSHIMA
OKAYAMA
SHIMANE
TOTTORI

THROUGH : Chugoku Liaison and Coordination Office

SUBJECT : Embezzlement of Funds of Agricultural Cooperatives

1. An alarming number of newspaper articles have been noticed by this headquarters concerning charges of embezzlement by cooperative officials.

2. Many cooperatives in this region are in poor financial condition as a results of what has been called mis-management. It is entirely possible that this so called mis-management has been embezzlement in disguise. Appropriate action should be taken by the prefectural officials to uncover all acts of embezzlement of cooperative funds.

3. Those current and any future cases of embezzlement that have been uncovered, and turned over to the procurator, should be followed carefully to insure that all the cooperation possible is given to the procurator so that the offenders may be convicted and punished to the fullest extent of the law. Investigations should be made to insure that officials already indicted are not retained in a position of operating the business of the cooperative.

C. N. BAILEY
Colonel, Inf
Chief

Subject File

HEK

File Code No. 6

ECON-1574

4/10/50

DECLASSIFIED E.O. 12333 SECTION 3.102, NRS NO.

file A-4-G

CHUGOKU

INFORMATION:
O.D. 12
JUN. 5 1950

CT

ITEM 1 NATURAL RESOURCES SECTION WEEKLY SUMMARY NO 240

INSTRUCTION ON PROCEDURE FOR AMALGAMATION OF FEDERATIONS

TO: Prefectural Governor

FROM: Chief of Agricultural Administration Bureau

SUBJECT: Procedure to be followed in case where It is Proposed to Amalgamate Federations

25 Nokyoku No 1079 May 18, 1950

The Bill for the Partial Amendment to the Agricultural Cooperative Association Law was passed by the current Diet Session on 28 April, and as law No. 157, 1950 was promulgated and enforced on 6 May. In case where Amalgamation of federations of agricultural cooperative associations is proposed following the enforcement of the bill, any amalgamation should be made voluntarily in accordance with the will of member farmers, as has already been instructed by 25 Nosei No. 718 "Amalgamation of agricultural cooperative association" dated April 3, 1950. Detailed procedures to be followed in such amalgamation are hereby given as follows:

1. Preliminary Step

(1) Familiarize officials and members of associations with the purpose of amendment bill as has been clarified by 25 Nosei No. 718 "Amalgamation of Agricultural Cooperative Association."

(2) Procedures for amalgamation of federations of agricultural cooperative association will be different according to whether it is by absorption or it is a new establishment. However, procedures as set forth in the attached paper will be required as a minimum.

2. General Meeting of Each Member Association.

(1) It is desirable that the following items will be put on the agenda at the general meeting so that members will be enabled to pass judgment on the desirability of such amalgamation.

Such items will be prepared by the federations which will be amalgamated to be sent to the member associations beforehand.

(A) Preliminary contract for amalgamation by the federations

(B) Inventory, balance sheet and statement on proposed disposition of property.

(C) Business plan and statement of estimated receipts and expenditures for the first business year of the federation which will be established by amalgamation.

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(D) Principal matters for writing the articles of incorporation (alteration of the articles of incorporation in case of amalgamation by absorption).

(2) Officials of the member associations will give a thorough-going explanation on the matters mentioned above to the members at a general meeting of the voting members of each association and let the members freely discuss on the merits or demerits of the proposed amalgamation.

In order to enable cooperative officials to state both advantages and disadvantages of amalgamation "a summary of amendments to the Agricultural Cooperative Association Law and procedures governing amalgamation of federation" is attached herewith and you are requested to call the attention of those cooperative officials to the requirement that the attached statement be read at the general meeting of a cooperative considering a proposal to amalgamate federations.

3. General Meeting of the Federations.

(1) In the event a member association votes for the amalgamation at the general meeting of the federation, it will submit at the same time a certified copy of the proceeding of its general meeting showing that the requirements of Art. 65 have been met and that the statement mentioned in para 2 (2) above was considered.

(2) All the names of the member associations will be known in pro and con brackets on completion of the vote.

4. Application for Approval of Amalgamation.

(1) Approval by the administrative agency will be given after the procedure under Art. 49 of the law has been completed, so the application for such approval should be made after the expiration of the period of notice to creditors.

(2) Following papers will accompany the application for such approval.

(A) Statement of the reason and development of amalgamation.

(B) Copy of the minutes of the general meeting of federations which will be amalgamated, including a statement demonstrating compliance with the provision of art. 65 of the law.

(C) Copy of the preliminary contract for amalgamation.

(D) Inventory, balance sheet and statement on proposed disposition of property.

(E) Document which certifies the conclusion of procedure under Art. 49 of the Law.

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(F) Articles of incorporation of the federation which is continuing to exist or to be newly established (in case of reelection of directors takes place).

(G) List of officials.

(H) Certificate by competent official in charge of the cooperative program in the prefecture that he has examined and found correct certificate of the member cooperatives showing that the statement regarding amalgamation prepared by Ministry of Agriculture and Forestry was read and discussed at the general meeting of the members.

SUMMARY OF AMENDMENTS TO AGRICULTURAL COOPERATIVE ASSOCIATION LAW AND PROCEDURES GOVERNING AMALGAMATION OF FEDERATIONS.

The amendments to the Agricultural Cooperative Association Law and the proposal to amalgamate certain of the prefectural federations have been explained. The purpose of this statement is to explain the amendments regarding the activities in which federations are permitted to engage, and the procedures set forth in the law which give farmers the power to decide whether any federations are to amalgamate.

1. Amendments to the Cooperative Law Regarding Activities of Federations.

The new amendments concerning the activities of federations give farmers freedom to decide the activities they wish federations to perform for them within broad limits. These amendments prohibit a federation from engaging in activities not related to its major functions. The purpose of this is to prevent federations from becoming so large that it would be difficult for the member cooperatives to control them democratically, and so large that they could interfere with democratic control of the affairs of local cooperatives. The cooperative law as now amended thus provides flexibility to enable federations to meet changing conditions while safeguarding member control of both local cooperatives and federations as far as this can be done by law. The recently enacted amendments provide for dividing the activities of federations into three divisions:

1. Credit activities.

2. Business services such as marketing and purchasing.

3. Non-business services such as education and hospital care.

A federation is permitted to engage in the activities included in any one of these three divisions. It cannot carry on activities in two of the divisions at the same time. This means that a guidance federation

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or a production federation cannot perform marketing, purchasing or processing services as a major activity. A marketing federation or a purchasing federation cannot own or operate a hospital.

II. Purposes of the Amendments

The two basic purposes of these amendments are:

1. To establish by law necessary guides to govern federation activities.

2. To protect member desires in deciding upon the choice of these activities.

The above purposes indicate clearly that the new amendments to the Cooperative Law do not foster or encourage amalgamation. The amendments do not require farmers or local cooperatives to approve amalgamation of any federations. Just the opposite is true. The amendments try to protect as far as possible the rights of individual farmers and local member cooperatives to decide any proposal for amalgamation. The amendments place full responsibility upon the farmers who are members of local cooperatives for voting whether amalgamation shall take place. In other words, cooperative members have a completely free choice in deciding for or against any such proposal. Such an important decision, however, requires careful study.

III. Some Possible Advantages and Disadvantages of Amalgamation for Study:

A. Possible Advantages of Amalgamation

(1) Strengthening of financial basis

While whittling down expenses for general affairs and other common expenditures, the merged federation will be able to stand on a stronger position in competition with other industries so as to cope with economical changes by fortifying its financial basis by reason of gleaning funds which otherwise are scathered in the hands of each federation.

(2) Adjustment of Businesses.

By concurrent management of several businesses and by adjustment of its busy and leisure seasons it will be able to carry on a cogent volume of business in proportion to management scale throughout the year.

Besides by the amalgamation, it may avoid the double operation of the same business arising from independent status of each federation.

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B. Possible Disadvantages of Amalgamation

(1) Failure to lower charges

When a federation conducts a number of activities, poor management is easily hidden. If this happens farmers have to pay higher charges. When each federation remains separate, it is necessary for it to operate at low cost in order to stay in business.

(2) Loss of democratic control

If your cooperative approves amalgamation, you could easily lose freedom to conduct the affairs of the cooperative according to the vote of the members. This freedom is something to be guarded very carefully. When federations grow very big, it often gives the officials dangerous power. They can use that power to dominate your local cooperative. It is much easier for farmers to protect democratic control of their local cooperatives when federations remain separate as at present.

(3) Forced Acceptance of Unwanted Goods.

If federations are amalgamated, your cooperative might lose its freedom to buy the goods you want. A consolidated federation could more easily require your cooperative to accept unwanted goods at higher prices.

IV. Procedures for Considering Amalgamation.

The new amendments to the Cooperative Law provide that federations can amalgamate only following approval by the farmers who are members of the local cooperatives which are members of each federation. The required procedures are as follows:

A. Procedures for local cooperatives.

1. There must be a quorum at the general membership meeting considering a proposal for amalgamation. This quorum shall consist of at least 50 percent of the voting members present in person.

2. Members should have full and free discussion of the advantages and disadvantages of the proposal.

3. Each voting member votes for or against amalgamation by secret ballot.

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4. At least two-thirds of the ballots must favor amalgamation in order for the proposal to be approved.

B. Procedures for federations

1. There must be a quorum present at the general membership meeting considering a proposal for amalgamation. This quorum shall consist of representatives of at least 50 percent of the local cooperatives holding voting membership in the federation.

2. Each representative of a member cooperative shall cast a ballot for or against amalgamation according to the vote at the membership meeting of the local cooperative. In case where the representative votes for amalgamation, he shall attach to his ballot the certificate stating the result of secret ballot voting at the general membership meeting of the cooperative he represents.

3. At least two-thirds of the ballots must favor amalgamation in order for the proposal to be approved.

DECLASSIFIED E.O. 12065 SECTION 3 402/NNSC NO.

Nat'l Res. Division
File No. A-4-G

Speech

In an agricultural economy based on small farms and maximum production some means must be established whereby farmers can act collectively for their mutual benefit in the economic world. The agricultural co-operative was established for that purpose and progress in the program has been such that only the highest praise is warranted.

In fact, Japanese farmers in the last 2 years have written a remarkable chapter in the world history of cooperatives. Their record is unprecedented and undoubtedly in due time will attract international attention. Achievements have been outstanding in almost every phase of democratic cooperative endeavor -- in the number of associations formed and total membership, in policy and procedure as well as management, and in credit, marketing, and other operations of direct aid to the farmers.

On the other hand, your farmer-owned and farmer-operated groups face challenges in the months immediately ahead. New opportunities await; old mistakes must be rectified; ever-present dangers to democratic control must be guarded against.

Only through constant vigilance of each member and the maintenance of honesty and integrity on the part of the officials can your co-op hope to fulfill its mission of service to the farmer. Do not be content with the status quo. You should constantly strive to improve your co-operative as well as protect it from those forces which seek to destroy it. Among those things on which you should concentrate your whole hearted efforts during the ensuring months are these:

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DECLASSIFIED E.O. 12065 SECTION 3 402/NNSS NO.

a. Improvement in Operating Efficiency: Present accounting procedures are far too complicated and time-consuming. They make operations difficult for members to understand. Simplified methods for keeping records can and should be adopted.

b. Membership Loyalty: One of the most effective ways to build loyalty is to make maximum use of patronage dividends in distributing surplus savings. Such dividends, based upon the extent to which a member uses his cooperative, encourage continuous support.

c. Freedom from Political Control: No single group, political or otherwise, should be permitted to take control of a cooperative for its own purposes. Maximum service to the membership is the goal, not profit or the promotion of objectives beyond the articles of incorporation. Should attempts be made to divert the organization, it is the duty of every member to protest and oppose the effort vigorously.

d. Assurance of Democratic Action: A cooperative is the independent enterprise of its members. Whether it should join a federation or other organization should be decided by vote of its farmer members. All officers must realize that their decisions should meet with the approval of the membership, for it is the members who are the ultimate arbiters on all policy decisions.

Finance:

One of the major problems facing agricultural co-operatives is their incapacity for making long term loans at moderate interest rates. This is easy to understand when we consider that Co-ops

DECLASSIFIED E.O. 12065 SECTION 3 NLJ/RAC NO.

are relatively new financial institutions and consequently have not built up a large enough capital stock to make long term loans to farmers a feasible operation. Therefore it seems to me that increasing the capital stock of your co-op should be your major objective for the coming year. Most of the Co-operatives in this region have already undertaken such a task and are meeting with a success which is indeed gratifying. The ability of the individual co-op to increase its capital stock will be directly proportionate to the faith which the farmer has in his co-op. By now it should be quite obvious to all farmers that the co-op is a workable, functional, organization and at the same time a sound financial investment, worthy of his support.

By D. A. O'Brien

March 1950

DECLASSIFIED E.O. 11652 SECRET

NR File

File A-4-G

HEADQUARTERS
CHUGOKU CIVIL AFFAIRS REGION
APO 248 (Kure, Honshu)

12 December 1949

MEMORANDUM FOR: Governor, Hiroshima Prefecture
Governor, Okayama Prefecture
Governor, Yamaguchi Prefecture
Governor, Tottori Prefecture
Governor, Shimane Prefecture

THRU: Chugoku Liaison and Coordination Office

On the occassion of the Second Anniversary of the establishment of Agricultural Cooperatives in Japan it is my desire that the following message be conveyed to the farmers of your prefecture:

"The Second Anniversary of the promulgation of the Agricultural Cooperative Law is marked by significant progress throughout the prefecture in the establishment of democratic farmers groups. Although the job of organization is about completed, the real task has only just begun. The Agricultural Cooperative was established for the purpose of serving the farmers; providing farmers with an opportunity to accomplish those things collectively which they cannot accomplish individually. Its purpose can only be fulfilled as long as the destiny of your organization is entirely controlled by yourselves through active participation in Cooperative activities and by exercising your right to vote on all issues which concern you. If the mission of the cooperatives is to be accomplished you must be ever watchful, lest old or new bosses who are jealous of the power entrusted to the farmers begin to assume control and usurp the powers which are rightfully yours."

FRANK KOWALSKI, Jr
Colonel Inf
Chief

1 Incl:
Japanese Translation

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Nat. Res. Division
File No. A-4-9

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No. 8

6. No. of former agricultural association officials holding office in newly established cooperative.

Prefecture	No. of officials
Hiroshima	835
Okayama	1,291
Yamaguchi	596
Shimane	1,688
Tottori	851
Total	5,261

Remarks: With regard to the above-mentioned number of officials reported by each prefectural office, as we have some doubt wether it is the number of officials holding office or that of those who have been appointed as officials of newly established cooparatives, the actual number of officials holding office will be reported again later upon confermation thereof.

DECLASSIFIED E.O. 12958 SECTION 3 NARA, DATE 4/24/07

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO.

File No. [redacted]

A-4-9

GENERAL HEADQUARTERS
FAR EAST COMMAND
Public Information Office

21 December 1948

IMMEIDATE RELEASE:

PRINCIPLES FOR JAPANESE FARMERS ORGANIZATIONS

The following directive prepared by the State Department to implement the Policy adopted by the Far Eastern Commission Dec. 9, and forwarded to General Headquarters released today by SCAP:

General Principles

1. Japanese farmers should be encouraged to form themselves into farmers' organizations, including unions and cooperatives of all kinds, for their mutual economic and social benefit, and for the purpose of preserving and improving conditions of agricultural work and otherwise assisting the legitimate interests of farmers.

2. Farmers' organizations and their members should be assured of and encouraged to observe in the donduct of their operations the fundamental freedoms guaranteed by Chapter 3 "Rights and Duties of the People" of the Constitution of Japan.

3. Any existing laws or parts thereof which are contrary to the provisions stated in this policy should be abrogated, and any organizations established thereunder abolished.

4. This policy should be put into effect gradually, due regard being paid to the immediate economic needs of the country and the need to prevent avoidable dislocation of food control measures.

Farmers' Cooperatives

5. Farmers' cooperatives should be a means whereby those who are actively concerned in obtaining their living by working on the land or in pursuits closely connected therewith can combine for their mutual advantage.

6. The rights of farmers to organize themselves into cooperatives should be assured and protected by law and the freedom of farmers to join or abstain from joining cooperatives should be provided by law. Any farmers' cooperative should have the power to make rules admitting to membership any person who is not a genuine farmer which rules may or may not exclude non-farmers from voting. Measures should be taken, however, to prevent cooperatives being controlled by any banking, trade, industrial, or other non-farmer companies and interests.

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7. Farmers' cooperatives should not be subject to any adversely discriminatory taxation, nor to any discriminatory restrictions upon their engaging in any economic activity related to their own agricultural pursuits and for the benefit of members.

8. Farmers' cooperatives should be subject to laws relating to juridical persons, but should not, in their internal management and operation, be subjected to any control, interference, or supervision by any administrative organization of the Japanese government, nor should they be subject to dissolution by administrative order. Where it is alleged that cooperatives have violated the law, or their articles of incorporation or by-laws, remedial action should be sought and taken through the courts of law and not through government decree or administrative decision.

9. Farmers' cooperatives should be free from any obligation to take part in, or from any responsibility for, the enforcement of government measures, except that they should comply with government measures to the same extent as any other Japanese national or organization under Japanese government jurisdiction.

10) Farmers' cooperatives should be encouraged and assisted by the Japanese government in providing education for their members, both generally in an understanding of democratic processes and particularly in cooperative practices and agricultural techniques. The Japanese government should, as far as possible, assist cooperatives officials in obtaining information on cooperative activities in other countries. These objectives should be given due weight when all allocations of paper supplies and import of foreign publications are made.

11. Japanese should be free to choose the forms of organization of their cooperatives. Cooperatives should be allowed to associate themselves in regional or national bodies, with representation in such bodies in porportion to the membership of the individual cooperatives. Emphasis, however, sould be placed on the importance of a solid local basis for the future of cooperative activity in Japan.

12. The director and officials, other than administrative officers, of farmers' cooperatives should be elected at regular stated intervals by the farmers concerned by secret ballot and democratic methods. Each member should have one vote. It should be the responsibility of the cooperatives to ensure that all their activities are democratically conducted.

DECLASSIFIED E.O. 12065 SECTION 3.3(b)

13. No member should hold office in a cooperative if,

(1) He is engaged in activities which are likely substantially to compete with the activities of the cooperative, or

(2) He is subject to the Purge Directive of Jan. 4, 1946, or subject to subsequent purge directives by SCAP.

14. The Japanese government insofar as practicable, should make available to farmers' cooperatives technical, advisory and other services and should ensure that credit is available to them on reasonable terms.

15. Farmers' cooperatives should be encouraged to participate involuntary measures to promote the objectives of the occupation.

Farmers' Union

16. The principles for Japanese trade unions should, with the necessary modifications, be applicable to farmers' unions.

DECLASSIFIED E.O. 12065 SECTION 3-402/NNDS NO.

	DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT
1.	1 July 1949	List of Agricultural Cooperative Federations	

DECLASSIFIED E.O. 12958 SECTION 3 10/1/2005

File No. A-4-T

File Index No. 1

ECONOMIC SECTION

Name and Address:	Number of Members:	Total Amount Invested:	Amount Invested Per Share:	Number of Officers:	Date of Foundation authorized:
1. Tottori Prefecture credit Federation of Agricultural Cooperative Associations 19-(5) Higashi-honji-cho, Tottori City	203	¥10,120,000.00	¥ 10,000.00	Director 21 Auditor 5	21 July 1948
2. Tottori Prefecture Purchase Federation of Agricultural Cooperative Associations 19-(5) Higashi-honji-cho, Tottori City	144	¥ 6,760,000.00	¥ 5,000.00	Director 17 Auditor 5	17 August 1948
3. Tottori Prefecture Sale Federation of Agricultural Cooperative Associations 19-(5) Higashi-honji-cho, Tottori City	142	¥ 3,510,000.00	¥ 5,000.00	Director 17 Auditor 5	17 August 1948
4. Tottori Prefecture Live Stock Federation of Agricultural Cooperative Associations. 26-(2) Higashi-honji-cho, Tottori City	8	¥ 500,000.00	¥10,000.00	Director 12 Auditor 3	17 September 1948
5. Tottori Prefecture Sericulture & Sale Federation of Agricultural Cooperative Associations 26-(2) Higashi-honji-cho, Tottori City	6	¥ 150,000.00	¥ 5,000.00	Director 6 Auditor 3	25 September 1948
6. Tottori Prefecture Reclamation & Production Federation of Agricultural Cooperative Associations 2 Honmachi 1 cho-me Tottori City	46	¥ 169,000.00	¥ 300.00	Director 8 Auditor 3	27 September 1948

As of 1 July 49.

List of Ag. Coop. Federations - Tottori.

7. Tottori Pref. Education & Information Federation of Agricultural Cooperative Associations 19-(5) Higashi-honji-cho, Tottori City	144	-	-	Director Auditor	13 3	18 October 1948
8. Tottori Pref. Transportation Federation of Agricultural Cooperative Associations 19-(5) Higashi-honji-cho Tottori City	50	¥ 150,000.00	¥ 1,000.00	Director Auditor	8 5	12 January 1949
9. Tottori Pref. Welfare Federation of Agricultural Cooperative Associations Koshidono-cho, Kurayosho-cho, Tohaku-gun, Tottori Pref	5	¥ 500,000.00	¥ 3,000.00	Director Auditor	5 2	6 October 1948
10. Tottori City and Iwami-gun Live Stock Federation of Agricultural Cooperative Associations 26 Higashi-honji-cho, Tottori City	22	¥ 400,000.00	¥ 1,000.00	Director Auditor	9 3	30 July 1948
11. Yazu-gun Live Stock Federation of Agricultural Cooperative Associations Funaoka-son, Yazu-gun Tottori Pref	30	¥ 700,000.00	¥ 1,000.00	Director Auditor	9 3	30 July 1948
12. Chizu Storage, Sale and Utilization Federation of Agricultural Cooperative Associations Chizu, Chizu-cho, Yazu-gun Tottori Pref	2	-	-	Director Auditor	7 2	1 April 1949

DECLASSIFIED E.O. 12065 SECTION 3 (a)(2)

13.	Ketaka-gun, Live Stock Federation of Agricultural Cooperative Associations Hamamura, Hamamura-cho, Ketaka-gun, Tottori Pref	25	¥ 500,000.00	¥ 1,000.00	Director 7 Auditor 3	30 July 1948
14.	Tohaku-gun Live Stock Federation of Agricultural Cooperative Associations Higashi-machi, Kurayoshi-cho Tohaku-gun, Tottori Pref	45	¥ 500,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
15.	Tohaku-gun Purchase Federation of Agricultural Cooperative Associations 1032 Meiji-machi, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	¥2,000,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
16.	Tohaku-gun Sale Federation of Agricultural Cooperative Associations 1032 Meiji-machi, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	¥1,500,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
17.	Tohaku-gun Welfare Federation of Agricultural Cooperative Associations 408 Koshidono-cho, Kurayoshi-cho, Tohaku-gun, Tottori Pref	44	¥ 850,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
18.	Tohaku-gun Sericulture Federation of Agricultural Cooperative Associations 1032 Meiji-cho, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	¥ 200,000.000	¥ 1,000.00	Director 10 Auditor 3	30 July 1948

DECLASSIFIED E.O. 12065 SECTION 3 (b)(2)

13.	Ketaka-gun, Live Stock Federation of Agricultural Cooperative Associations Hamamura, Hamamura-cho, Ketaka-gun, Tottori Pref	25	¥ 500,000.00	¥ 1,000.00	Director 7 Auditor 3	30 July 1948
14.	Tohaku-gun Live Stock Federation of Agricultural Cooperative Associations Higashi-machi, Kurayoshi-cho Tohaku-gun, Tottori Pref	45	¥ 500,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
15.	Tohaku-gun Purchase Federation of Agricultural Cooperative Associations 1032 Meiji-machi, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	¥2,000,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
16.	Tohaku-gun Sale Federation of Agricultural Cooperative Associations 1032 Meiji-machi, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	¥1,500,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
17.	Tohaku-gun Welfare Federation of Agricultural Cooperative Associations 408 Koshidono-cho, Kurayoshi-cho, Tohaku-gun, Tottori Pref	44	¥ 850,000.00	¥ 1,000.00	Director 10 Auditor 3	30 July 1948
18.	Tohaku-gun Sericulture Federation of Agricultural Cooperative Associations 1032 Meiji-cho, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	¥ 200,000.000	¥ 1,000.00	Director 10 Auditor 3	30 July 1948

DECLASSIFIED E.O. 12958 SECTION 3 NARA, DATE 7/27/05

19.	Tohaku-gun Education and Information Federation of Agricultural Cooperative Associations 1032 Meiji-machi, Kurayoshi-cho, Tohaku-gun, Tottori Pref	42	-	-	Director Auditor	12 3	21 September 1948
20.	Saihaku-gun and Yonago City Live Stock Federation of Agricultural Cooperative Associations 30 Katsuda-cho, Yonago City Tottori Pref	46	¥ 500,000.00	¥ 1,000.00	Director Auditor	22 5	21 August 1948
21.	Saihaku-gun and Yonago City Sericultural Federation of Agricultural Cooperative Associations 4-(381) Tate-cho, Yonago City	46	¥ 500,000.00	¥ 1,000.00	Director Auditor	26 8	8 September 1948
22.	Hino-gun Live Stock Federation of Agricultural Cooperative Associations 877 Neu-cho, Hino-gun Tottori Pref	17	¥ 200,000.00	¥ 1,000.00	Director Auditor	7 3	26 July 1948
23.	Hino-gun Purchase Federation of Agricultural Cooperative Associations 377-(1) Neu-cho, Hino-gun Tottori Pref	17	¥ 100,000.00	¥ 1,000.00	Director Auditor	5 2	26 Judy 1948
24.	Hino-gun Sale Federation of Agricultural Cooperative Associations 377-(1) Neu-cho, Hino-gun Tottori Pref	17	¥ 200,000.00	¥ 1,000.00	Director Auditor	5 2	26 July 1948

DECLASSIFIED

25.	Hino-gun Welfare Federation of Agricultural Cooperative Associations 377 Neu-cho, Hino-gun, Tottori Pref	17	¥ 500,000.00	¥ 1,000.00	Director Auditor	5 2	26 July 1948
26.	Hino-gun Education and Guidance Federation of Agricultural Cooperative Associations 377-(1) Neu-cho, Hino-gun Tottori Pref	21	-	-	Director Auditor	5 2	21 September 1948

DECLASSIFIED E.O. 12958 SECTION 3.3 NARA, DATE 7/10/2010

DECLASSIFIED E.O. 12065 SECTION 3 402/NNBG NO.

AGRICULTURAL COOPERATIVES

DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT

DECLASSIFIED E.O. 12065 SECTION 3 402/NNDS NO.

AGRICULTURAL COOPERATIVES

A-4-O

DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT

DECLASSIFIED E.O. 12065 SECTION 3 402/NNSS NO.

DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT

DECLASSIFIED E.O. 12065 SECTION 3 402/NNSC NO.

AGRICULTURAL COOPERATIVES

	DATE	SUBJECT	ISSUING HEADQUARTERS & INDORSEMENT
1.	30 Apr 1951	Request Concerning Sugar for Rural Industries	Yamaguchi Pref. Office

Y

DECLASSIFIED E.O. 12958 SECTION 3.4(b)/NNSS NO.

Nat. Res. Division
File No. A-4-Y

30 April 1951

TO : Mr. Tokuno, Chugoku Civil Affairs Region

FROM : Chief, Agricultural Cooperative Section, Yamaguchi Pref. Office

SUBJECT: Request Concerning Sugar for Rural Industries

According to Sugar Demand and Supply Adjustment Regulations, Article 10, Paragraph 3, "Business consumer shall not be a licensed retailer or a licensed wholesale dealer", the combination of the 2 is prohibited. For this reason, the Agricultural Cooperatives receiving business sugar allocations for rural industries must discontinue their licensed sugar retail business.

The first allocation of sugar for rural industries received by the Agricultural Cooperatives was June 10, 1950, at that time the retailers and wholesalers were already licensed. It was after the licensing that the allocation was made, and the local areas were not informed whether there will be a continuous allocation or not. It came to light later that there have been a considerable amount of sugar for rural industries allotted every quarterly period.

The sugar for rural industries have been used mainly to manufacture good quality candies at low prices for association members and its products have received very favorable comments. It is a business which should be expedited in the future to come. On the other hand, although the commission involved is very limited in sugar retail business it is most important that the local cooperative carry on such business to actualize their main mission.

We feel the necessity that the local cooperative are permitted to engage in retail business as well as utilize business sugar. Requests have been made continuously to MAF on every opportunity and we hope that you will cooperate with us to actualize the above.

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No. 1

DECLASSIFIED E.O. 12958 SECTION 3.102, NARS NO.

農協第三〇六号

昭和二十六年四月三十日

山口縣農業協同組合課長

中國民事部

トクノー殿

農村工業用砂糖に関する件

砂糖需給調整規則第十條第三項「業務用砂糖使用者は砂糖登録小賣業者、登録卸賣業者又は登録元賣業者になることは出来ない」とあって両者の兼業は禁止されております。従って農村工業用として業務用の砂糖割当を受ける農業協同組合は砂糖小賣登録業を廃業しなければならない実情に在るのであります。

農協に対する農村工業用業務用砂糖の割当は第一回が昭和二十五年六月十日であって其の時は既に卸小賣共に登録済であったので

山口縣

DECLASSIFIED E.O. 12958 SECTION 3.3(b)(6) NLJ 07-107

交渉の詳細については電報致しました。

上海の情勢は一見平穏に見えますが、実は一触即発の危機を孕んでおります。

英国は既に軍艦を増派しておりますし、我が国も陸戦隊の派遣を決定しました。

万一、共同租界において偶発的な衝突が生じた場合、我が国の在留邦人の安全確保のため、陸戦隊は直ちに行動を開始する手筈です。

閣下におかれましては、この点を含みまして、何卒ご了承賜りますようお願い申し上げます。

敬具