

FEC-038 -

FEC-047/5

CONFIDENTIALCOPY NO. 92FEC 03826 March 1946FAR EASTERN COMMISSIONEXERCISE OF CRIMINAL AND CIVIL JURISDICTION
OVER UNITED NATIONS NATIONALSNote by the Secretary General

1. The directive to the Supreme Commander for the Allied Powers on the exercise of criminal and civil jurisdiction over United Nations Nationals in Japan, which was circulated for the information of the Far Eastern Advisory Commission, as FEC 20, is circulated at the request of the United States Delegate, for the consideration of the Far Eastern Commission, and is referred to COMMITTEE NO. 6: ALIENS IN JAPAN.
2. It is requested that this cover page be substituted for the cover page on FEC 20.
3. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to unauthorized persons or to the press.

NELSON T. JOHNSON
Secretary General

FEC 038

CONFIDENTIALCOPY NO 99FEC 208 February 1946FAR EASTERN COMMISSIONEXERCISE OF CRIMINAL AND CIVIL JURISDICTION OVER
UNITED NATIONS NATIONALSNote by the Secretary General

1. The enclosure, a directive to the Supreme Commander for the Allied Powers on the exercise of criminal and civil jurisdiction over United Nations nationals in Japan, is circulated for the information of the Commission.

2. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to unauthorized persons or to the press.

FOR THE SECRETARY GENERAL:

ERLE R. DICKOVER

CONFIDENTIAL

ENCLOSURE

EXERCISE OF CRIMINAL AND CIVIL JURISDICTION OVER
UNITED NATIONS NATIONALS

1. You will provide that no criminal jurisdiction of any sort will be exercised by the Japanese courts with respect to United Nations nationals or organizations (including corporations), but that such criminal jurisdiction will be exercised by military courts of the United Nations, as follows:

a. in the case of military or naval personnel and persons accompanying the armed forces, courts of the nation of the forces of which they are a part,

b. in the case of a national of one of the occupying powers, by a military court of his nationality,

c. in the case of other United Nations nationals, the Allied military court having jurisdiction in the particular territory.

2. You will strictly limit the authority of the Japanese to take any national of a United Nation into custody

a. to those areas of Japan not actually in Allied Military occupation, and

b. in such areas, only to those cases in which there is a reasonable suspicion that a serious offense has been committed. You will place the Japanese authorities under specific orders to hand over such a person forthwith to the nearest Allied military authorities.

3. You will provide that no civil jurisdiction of any sort will be exercised by the Japanese courts with respect to United Nations nationals or organizations (including corporations), attached to or accompanying the armed forces. You will provide that civil claims against such persons or organizations shall be presented to you or your representative by the Japanese Government.

4. You will direct that decisions in all civil cases affecting other United Nations nationals or organization,

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or in which such nationals or organizations are or may become parties, shall be subject to review, including revision, or such other action as may be considered necessary for the protection of their rights, by the Supreme Commander or his representative.

5. You will take such steps as you deem necessary, including suspension of proceedings, to ensure that in the conduct of such civil cases the rights of United Nations nationals or organizations parties thereto are adequately protected.

6. It is recognized that the available United States legal officers will be barely sufficient to deal with such cases as involve United States nationals. You may therefore advise the responsible commanders of other Allied forces that assistance in such cases as involve their nationals must be supplied by them.

FEC-038/2

19 August 1946

FAR EASTERN COMMISSION

EXERCISE OF CRIMINAL AND CIVIL JURISDICTION OVER NATIONALS
OF MEMBERS OF THE UNITED NATIONS

Note by the Secretary General

1. FEC-038/1 a policy decision relative to the exercise of of criminal and civil jurisdiction over nationals of members of the United Nations was unanimously approved by the Far Eastern Commission at its twenty-third meeting, 15 August 1946.

2. The letter of transmittal of the Secretary General, forwarding this decision on behalf of the Far Eastern Commission to the Secretary of State of the United States Government in accordance with the Terms of Reference, is circulated herewith as the enclosure.

NELSON T. JOHNSON
Secretary General

FEC-038/2

ENCLOSURELETTER OF TRANSMITTAL

15 August 1946

The Honorable Dean Acheson
Acting Secretary of State
Washington, D. C.

My dear Mr. Secretary:

The Terms of Reference of the Far Eastern Commission provide that one of the functions of the Commission should be to "formulate the policies, principles and standards in conformity with which the fulfillment by Japan of its obligations under the Terms of Surrender may be accomplished."

It is further provided that when such decisions are made by the Far Eastern Commission, "The United States Government shall prepare directives in accordance with the policy decisions of the Commission and shall transmit them to the Supreme Commander through the appropriate United States Government agency."

At the twenty-third meeting of the Far Eastern Commission held at 2516 Massachusetts Avenue, Northwest, Washington, D. C., on 15 August 1946, the enclosed policy decision relative to Exercise of Criminal and Civil Jurisdiction Over Nationals of Members of the United Nations, was unanimously approved.

As Secretary General of the Far Eastern Commission, I have been instructed to forward this decision to you on behalf of the Commission, in order that the appropriate directives may be prepared and transmitted to the Supreme Commander in accordance with the Terms of Reference.

The Commission agreed to release the enclosed policy decision to the press, but agreed to withhold such release until the appropriate directive based upon this decision has reached the Supreme Commander. I am sure that the Commission would appreciate your informing the Supreme Commander of this decision at the same time that the directive is transmitted to him.

Respectfully yours,

Nelson T. Johnson
Secretary General

FEC-038/3

11 September 1946

FAR EASTERN COMMISSION

EXERCISE OF CRIMINAL AND CIVIL JURISDICTION
OVER NATIONALS OF MEMBERS OF THE
UNITED NATIONS

Note by the Secretary General

1. The enclosure, a United States directive to the Supreme Commander for the Allied Powers forwarding the statement of policy of the Far Eastern Commission on exercise of criminal and civil jurisdiction over nationals of members of the United Nations, is circulated herewith for the information of the Commission.
2. This directive was forwarded to the Supreme Commander for the Allied Powers on 23 August 1946.
3. A certified copy of the United States directive to the Supreme Commander for the Allied Powers has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

NELSON T. JOHNSON
Secretary General

FEC-038/3

ENCLOSURESerial No. 58

23 August 1946

EXERCISE OF CRIMINAL AND CIVIL JURISDICTION
OVER NATIONALS OF MEMBERS OF THE
UNITED NATIONS

The following directive, prepared by the State Department to implement the policy adopted by the Far Eastern Commission on 15 August 1946 under the provisions of paragraph II,A,1, of its terms of reference, has been received from the State, War, and Navy Departments for transmission to you for your guidance in accordance with paragraph III,1, of those terms of reference:

1. The Supreme Commander for the Allied Powers should provide that no criminal jurisdiction of any sort will be exercised by the Japanese courts with respect to nationals of members of the United Nations, but that such criminal jurisdiction will be exercised by military courts of members of the United Nations as follows:

a. In case of military, naval or air force personnel and persons attached to or accompanying the armed forces, by courts of the nation of the forces of which they are a part. A national of a member of the United Nations who is present in Japan on official business and for the purpose of performing functions in the interest of the occupation is to be regarded as "attached to or accompanying the armed forces".

b. In the case of a national of one of the occupying powers, by a military court of his nationality; and

c. In the case of other nationals of members of the United Nations, by the Allied military court having jurisdiction in the particular territory. Such courts should be composed of three members appointed by the Supreme Commander for the Allied Powers, one of whom should be a representative of that nation whose national is held for trial, provided that if, in the judgment of the Supreme Commander selection of such a representative would obstruct or unnecessarily delay the proceedings because of the nonavailability of qualified

personnel, then a representative of some other nation may be designated.

2. The authority of the Japanese to take into custody any national of a member of the United Nations should be strictly limited:

a. To those areas of Japan not actually in Allied military occupation, and

b. In such areas, only to those cases in which there is reasonable evidence that a serious offense has been committed. The Japanese authorities should be placed under specific orders to hand over such a person forthwith to the nearest Allied military authorities.

3. Provision should be made that no civil jurisdiction of any sort will be exercised by the Japanese courts with respect to nationals of members of the United Nations attached to or accompanying the armed forces. Civil jurisdiction in these cases should be exercised in a manner determined by the Supreme Commander.

4. Decisions in all civil cases affecting other nationals of members of the United Nations or in which such nationals are or may become parties, should be reviewed by the Supreme Commander or his representative, who may revise the decision or take such other action as may be considered necessary for the protection of their rights.

5. The Supreme Commander should take such steps as he deems necessary, including suspension of proceedings, to ensure that in the conduct of such civil cases the rights of nationals of members of the United Nations parties thereto are adequately protected.

6. It is recognized that the available United States legal officers will be barely sufficient to deal with such cases as involve United States nationals. The Supreme Commander may therefore advise the responsible commanders of other Allied forces that assistance in such cases as involve their nationals must be supplied by them.

7. The term "nationals of members of the United Nations", as used in this document includes, wherever applicable, organizations and corporations of members of the United Nations as well as persons

CONFIDENTIAL

FEC 039

28 March 1946

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY	<u>FEC-039/1</u>
DATE	<u>4/6/57</u>
BY	_____

COPY NO. 153FAR EASTERN COMMISSIONTREATMENT OF JAPANESE WORKERS' ORGANIZATIONSNote by the Secretary General

1. The recommendations on the subject of the Treatment of Japanese workers' Organizations, submitted by the United States Delegation, which was circulated to the Far Eastern Advisory Commission as FEC 18, is herewith circulated for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS for its consideration.

2. It is requested that this cover page be substituted for the cover page on FEC 18 and the classification changed to Confidential.

3. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to unauthorized persons or to the press.

NELSON T. JOHNSON
Secretary General

SECRETFEC 1825 January 1946

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY OF	<u>FEC-039/1</u>
	<u>4/6/51</u> DDC
BY	-----

*m. Spentner*COPY NO. 67FAR EASTERN COMMISSIONTREATMENT OF JAPANESE WORKERS' ORGANIZATIONSNote by the Secretary General

1. The enclosure, recommendations on the subject of the Treatment of Japanese Workers' Organizations, submitted by the United States Delegation, is circulated to the delegations of the states which are members of the Far Eastern Commission for study preliminary to possible consideration by the Commission upon its reorganization.

2. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to unauthorized persons or to the press.

FOR THE SECRETARY GENERAL

ERLE R. DICKOVER

FEC 18

SECRETENCLOSURE

CLASSIFIED	CHANGED
TO	<i>Unclassified</i>
BY	<i>JEC-039/1</i>
	<i>4/6/51</i>

TREATMENT OF JAPANESE WORKERS' ORGANIZATIONS

1. The Japanese Government should issue a general proclamation recognizing the freedom of industrial and agricultural workers to join trade unions or other organizations of their choice for purposes of improving their terms and conditions of employment and mutual protection.
2. Legislative steps should be taken to provide legal safeguards for workers' organizations in the carrying out of legitimate trade union functions.
3. In consideration of the importance both from a political and economic viewpoint of encouraging the formation of democratic Japanese workers' organizations, the occupation authorities, in their own employment and labor policies, should when conditions warrant give positive encouragement to the development of labor organizations.
4. The trade unions should have the right of free assembly, speech and press, and access to broadcasting facilities on a nondiscriminatory basis provided only that such assembly, speech, or writing does not interfere with military necessity or public security.
5. The Japanese Government should abrogate all laws and other regulations which prevent or have the effect of preventing (a) the free organization of trade unions for the purposes of improving wages, hours and working conditions and the rendering of mutual assistance; and (b) the performance of other legitimate activities directed to these ends. The following laws are specifically recommended for immediate abrogations if such action has not already been taken, together with any subsequent amendments and additions:

S E C R E T

a. Peace Preservation Law (Jian Iji-ho) of 1941.

b. The Protective Surveillance for Thought Offenses Law (Shiso-han Hogo Kansatsu-ho) and The Regulations Relative to the Protective Surveillance for Thought Offenses Law (Shiso-han Hogo Kansatsu-ho ni kansuru kisaku), both of 1936.

c. Articles 4, 6 and 7 of the National Mobilization Act (Kokka Sodo-in-ho) of 1938 as revised in 1941.

d. Articles 3 and 8 of the Public Peace Police Law (Jian Keisatsu-ho) of 1900 as amended in 1922, 1926 and 1941.

e. Paragraphs 3 and 4 of Article 1, and paragraphs 5 and 31 of Article 2 of the Police Crimes Punishment Ordinance (Keisatsu-han Shobatsu-rei) of 1908, as amended in 1919.

f. The Factory and Workshop Supervision Ordinance (Kojo Jigyo Kanri-rei) of March, 1944.

6. Persons who have been imprisoned because of activity or "thought" in connection with trade unions and other labor organization activity should be released as promptly as proper examination procedure permits.

7. Any patriotic workers' organizations or their affiliates, such as the Patriotic Industrial Associations, which have not already been abolished, should be dissolved.

8. As soon as workers' organizations are formed in consonance with principles established in paragraph 3 they should be encouraged to bargain collectively with employers regarding the terms of employment, subject to such policies on wages, hours and working conditions as are established by the Japanese Government.

9. The Japanese Government should establish conciliation machinery for dealing with industrial disputes that cannot be

S E C R E T

settled by direct and voluntary negotiation between the worker or his representative and the employer.

10. Strikes and other work stoppages should be prohibited only when the occupation authorities consider that such stoppages would interfere with military operations or military security or directly prejudice the objectives or needs of the occupation.

11. Japanese Government agencies which have been set up or have functioned for the purpose of or in such a way as to obstruct free labor organization and legitimate trade union activities should be abolished or their powers in respect to labor revoked, and all individuals who have been directly connected in a responsible capacity with the obstruction or repression of trade union organization or activity should be declared ineligible for employment in labor agencies or as mediators, conciliators or arbitrators.

FEC-039/1

FEC-039/16 April 1951FAR EASTERN COMMISSIONTREATMENT OF JAPANESE WORKER'S ORGANIZATIONSDirective Serial No. 26

(Reference: FEC-039)

Note by the Secretary General

1. Upon recommendation of the United States Government FEC-039 (28 March 1946), a U. S. directive to SCAP regarding treatment of Japanese workers organizations, is from this date graded to UNCLASSIFIED.

2. All holders of FEC-039 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

FEC-039/1

CONFIDENTIALFEC 04030 MARCH 1946

98

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY	<u>FEC-040/2</u>
DATE	<u>11/15/57</u>
BY	

FAR EASTERN COMMISSION

FOREIGN BANKS IN JAPANNote by the Secretary General

1. The enclosure, an excerpt from the directive of the U. S. Government to the Supreme Commander for the Allied Powers, is circulated for the information of the Far Eastern Commission and is herewith referred to COMMITTEE NO.2: ECONOMIC AND FINANCIAL AFFAIRS for its consideration.

2. It is requested that this document be considered as confidential until 12 noon, Monday, 1 April 1946, at which time a release to the press will be made by the United States Government, thereafter, this document is to be treated as unclassified.

NELSON T. JOHNSON
Secretary General

FEC 040

ENCLOSUREFOREIGN BANKS OF JAPANEXCERPT FROM A DIRECTIVE
TO THE SUPREME COMMANDER
FOR THE ALLIED POWERS

CLASSIFICATION CHANGED

Unclassified

BY AJT

*FEC-040/3**11/15/51*

DATE

BY

1. That National City Bank branch not be permitted at present to engage in any ordinary commercial banking activities including provision for export-import banking facilities, acceptance of dollar deposits from recipients of dollar remittances, receiving funds of nationals of Allied countries which were on deposit with the bank on 7 December 1941, or representing nationals of Allied and neutral countries for purpose of recovery of their pre-war assets, but be used solely for services related to your occupation needs, specifically including:

a General depository of public moneys of United States including official and quasi-official funds of U. S. armed forces. Central disbursing officer could keep main balance in American branch bank and deposit monthly payroll requirements throughout Japan via Bank of Japan branches thus utilizing nationwide banking facilities but with minimum balances in Japanese banks.

b Bank of deposit for members of U.S. armed forces for accumulation in dollars of pay and allowances found excess to their local needs. Such deposits would be permitted in U. S. dollars only. Withdrawals from such deposit accounts would be limited to:

(1) Transfers to the credit of other such dollar accounts, and

(2) drawings against such accounts either for deposit in dollars or for encashment in yen with Army or Navy disbursing officers in the theater.

Also in order to preserve implementation of foreign exchange control in Pacific area, reconversions and transfers from Japanese yen into U.S. dollars and/or other currencies would be effected by authorized personnel only through regular Army and Navy channels.

Yen earnings accrued by above-mentioned branch from service charges or other sources would be blocked in the same manner as other foreign exchange assets accruing in Japan to National City Bank and would be subject to future determination as to repatriation on same basis as yen accruals of such other American business concerns as may be authorized to begin or resume activities in Japan.

c. Depository for yen representing the proceeds of remittances of:

(1) an official nature such as those of U.S. Commercial Company and similar U.S. Government agencies; and

(2) Eleemosynary funds such as those of American Council of Churches.

d. Depository for proceeds realized from local sales of civilian supplies introduced under U.S. military authority into Japan.

e. Safekeeping services.

2. That authority for reopening of Tokyo Branch of National City Bank is with proviso that other American bank or banks prepared to operate in Japan under same conditions as those prescribed for National City Bank would also be authorized to open or reopen branches in Japan.

3. That banks of other Allied Nations also would be permitted as a matter of military necessity to open or reopen branches in Japan under above-indicated conditions applicable to American branch banks in order to render similar services to respective elements of your forces.

CONFIDENTIALFEC 040/126 April 1946

CLASSIFICATION CHANGED	
TO	<u>Unclassified</u>
BY AUTHORITY	<u>FEC-040/2</u>
DATE	<u>4/6/51</u>
BY	

COPY NO. 19FAR EASTERN COMMISSIONEXAMINATION OF FOREIGN BANKS IN JAPANNote by the Secretary General

1. The enclosure, the policy of the United States with regard to the examination of foreign banks in Japan, is circulated for the information of the Far Eastern Commission and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS for consideration.

2. A certified copy of this policy directive, which has been forwarded to the Supreme Commander for the Allied Powers, has been filed with the Commission in accordance with Section III, paragraph 4, of the Terms of Reference.

3. The attention of all concerned is invited to the classification of this document which prohibits the dissemination of the information contained therein to unauthorized persons or to the press.

NELSON T. JOHNSON
Secretary General

CONFIDENTIAL

ENCLOSURE

CLASSIFICATION CHANGED	
TO	Unclassified
BY AUTHORITY	FEC 40 40/2
	4/6/51

EXAMINATION OF FOREIGN BANKS IN JAPAN

State, War, Navy and Treasury Departments agree that it is desirable to postpone temporarily liquidation of puppet and foreign banks in Japan as it would necessitate having representatives of foreign governmental or private financial or business interest participate in the examination and liquidation of business enterprises of any kind in Japan. View here is that examination should be permitted only in case of military necessity. Except in such cases, we prefer to await intergovernmental decisions possibly through Far Eastern Advisory Commission, concerning authorization of foreign representation for these purposes. To avoid misunderstanding similar attitude must be taken toward examination and liquidation of U. S. private financial or business interests. This decision should not delay steps your command is taking or contemplates taking in carrying out paragraphs 41 and 42 of Basic Directive for Post-Surrender Military Government in Japan Proper*. Requests by foreign governments or their nationals to enter Japan for the purpose of examination or assisting in the liquidation of their banks or other interests shall be forwarded to Washington for action through normal diplomatic channels.

If representatives of Bank of China have already arrived in Japan they should not be permitted access to the various Chinese banks at this time. State Department will explain to Chinese Government reasons for this.

*FEC 015

FEC 040/1

FEC-040/2FEC-040/26 April 1951FAR EASTERN COMMISSIONEXAMINATION OF FOREIGN BANKS IN JAPANDirective Serial No. 23(Reference: FEC-040/1)Note by the Secretary General

1. Upon recommendation of the United States Government FEC-040/1 (26 April 1946), a United States directive to the Supreme Commander for the Allied Powers regarding examination of foreign banks in Japan, is from this date graded to UNCLASSIFIED.

2. All holders of FEC-040/1 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

FEC-040/2

FEC-040/3FEC-040/315 November 1951FAR EASTERN COMMISSIONFOREIGN BANKS IN JAPAN
Directive Serial No. 37
(Reference: FEC-040)Note by the Secretary General

1. Upon recommendation of the United States Government FEC-040 (30 March 1946), an excerpt from a United States directive regarding foreign banks in Japan, is from this date graded to UNCLASSIFIED.

2. All holders of FEC-040 are requested to make the appropriate change in their copies of this document.

NELSON T. JOHNSON
Secretary General

~~FEC-040/3~~

FEC-041

1 April 1946

FAR EASTERN COMMISSION

AGENDA FOR COMMISSION MEETINGS
Reference SC-005

Note by the Secretary General

The enclosure, a proposal of the Secretary General with respect to the preparation of the Agenda for Commission meetings, was unanimously approved as amended by the Steering Committee at its seventh meeting, 29 March 1946, and is forwarded herewith for the consideration of the Commission.

NELSON T. JOHNSON
Secretary General

FEC-041

ENCLOSUREAGENDA FOR COMMISSION MEETINGS

1. The Agenda for Commission meetings shall be prepared by the Secretary General in consultation with the Chairman, and shall include as items only matters on which papers have been circulated to the Commission prior to the time of the meeting.

2. Any matters on which papers have not been circulated may be raised at the meeting under the item "Other Business". If the Secretariat is advised in advance of a meeting, such items will be listed on the agenda under that heading in order of their receipt.

3. The deadline for the Commission Agenda shall be 10:30 a.m. of the day preceding the Commission meeting.

FEC-0425 April 1946FAR EASTERN COMMISSIONJAPANESE AGRICULTURE AND THE SYSTEM OF LAND TENURENote by the Secretary General

The enclosure, a United Kingdom paper on Japanese Agriculture and the System of Land Tenure submitted by the United Kingdom Delegate, is circulated for the consideration of the Far Eastern Commission and is herewith referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS.

NELSON T. JOHNSON
Secretary General

FEC-042

E N C L O S U R EJAPANESE AGRICULTURE AND THE SYSTEM OF LAND TENURESummary and Conclusions

1. Agricultural reform in Japan cannot be treated as an issue of concern only to the Japanese themselves. The rural population has long been considered the "backbone of the nation, the source of its military strength and the guardians of traditional virtues against alien influences," and it has remained generally unsympathetic towards the changes in ideas and ways of life that have occurred through Japan's contacts with the West. Indeed, the reactionary and militarist forces that have moulded Japanese life in the last two decades take their strength from the support given by the rural population. For this economic distress has been in part responsible. The country-folk did not share proportionately in the benefits which economic development brought to Japan in the two decades before the war, and they showed their resentment at this on many occasions. It was they who provided the main support for the militarist tendencies which grew so markedly in strength during the long period of agricultural depression that began in 1930. Unless means can be found to alleviate the lot of the peasants, they will remain a fruitful soil for reactionary propaganda, and it is doubtful if Japan can make progress towards a liberal, peace-loving society. It is therefore considered necessary to formulate a policy for Japanese agriculture which can help to improve the conditions of the rural population.

2. The troubles of Japanese agriculture arise from two sources:-

a. an inefficient use of resources, which can be attributed to-

(1) technical defects, for example, the holding of farms in scattered strips rather than in compact areas;

(2) unwise cropping policy, which has placed excessive emphasis on rice with the result that that crop is often grown in districts unsuitable for its cultivation to the partial exclusion of a wider range of crops;

(3) general economic defects, particularly the attempt of a disproportionately high number of persons in relation to the amount of agricultural land available to derive a living from farming;

b. fiscal and financial burdens; these are-

(1) The imposition on the agricultural population of an excessively high tax burden in relation to the burden borne by other classes;

(2) the heavy weight of debt accumulated in past years.

3. It may well be that in the next few years the Japanese farming community will obtain a higher proportion of the national income than hitherto, partly because of the reduction in imports of rice from the former Japanese colonies. Further, the inflation that has taken place and is still taking place in Japan will probably lead to a redistribution of the national income in favour of debtors, and it is likely to bring about a substantial reduction in the farmers' real debt burden. Although, however, the farmer may become relatively better off than he was in relation to other members of the community, this does not mean in the least that the absolute level of his income will be higher than it was before the war.

4. S.C.A.P. has recognized the existence of a problem in connection with the Japanese agricultural population, and on the 9th December, 1945, he issued to the Japanese Government a directive on the subject of Rural Land Reform. A copy of this directive is attached as an appendix to this paper. The main land reforms which the Japanese Government are required to bring about are:-

a. the substitution of peasant proprietorship for tenancy and especially the transfer of land ownership from absentee land-owners to land-operators;

b. the introduction of measures for preventing the newly-created peasant proprietors from reverting to their former status; these measures to include-

(1) access to credit facilities at reasonable rates of interest;

(2) price stabilization;

(3) dissemination of technical information;

(4) agricultural co-operation;

c. the raising of the share of the national income enjoyed by agriculturists.

5. With the general aim of improving the lot of the farmers, no objection can of course be taken. It may be suggested, however, that the emphasis in S.C.A.P.'s directive is misplaced. The directive would be appropriate to a country of large landed estates, where an improvement in conditions might well be sought by the break-up of those estates and the conversion of the occupiers into peasant proprietors- a change comparable to the "Green Revolution" that took place in Eastern Europe after the last war. But in Japan there are very few large proprietors of agricultural land, and so the policy would appear to be designed for a situation which hardly exists in that country. While the creation of a greater number of peasant proprietors may be an acceptable long-term aim, it is hardly the most pressing problem at the present time. It is suggested, therefore, that attention should be concentrated on measures of reform which might help to remove the very real ills from which the greater part of the Japanese agricultural community suffers (namely, those described in paragraph 2), rather than on the framing of a policy which is appropriate to an insignificantly small sector of the Japanese rural economy.

6. Whatever is done, it cannot be expected that the approach of the Japanese agricultural community to Arcadia will be other than very slow. Measures calculated to remove grievances are not always likely to be greeted with enthusiasm by so conservative a community, and, as in Japan, there is a very close connection between agriculture and industry, any change in the former will have far-reaching and incalculable influences on the whole economy. In particular, the proposal to dispossess the small landowners and to create peasant proprietors from among those who are now tenants

would almost certainly be a long and difficult undertaking, however desirable it may seem as an ultimate social aim.

7. It is suggested that the policy of the United Nations should be directed primarily towards removing the most obvious evils which have already been referred to. The first and most practicable measure would seem to be to require the Japanese Government to revise its system of taxation in such a way as to reduce the burden on the agricultural classes and to distribute it more equitably over the community. Secondly, the Japanese Government might be required to frame a policy for redistributing land so as to avoid the waste which attends the holding of land in scattered strips. Thirdly, it should be made compulsory for the landlords to provide the tenants with written leases which define clearly the obligations of both parties and confer on the tenant much greater security of tenure than at present he enjoys. Fourthly, the Japanese Government might be required to work out a more satisfactory agricultural credit policy than at present exists. The most hopeful line of approach to this last problem would appear to be via the agricultural co-operative credit societies (see Appendix "C") which have already done good work in Japan. It is recognized that inflation may have swept away a large part of the pre-war agricultural indebtedness, and that the provision of agricultural credit in every country raises extremely awkward problems. Nevertheless, it is desirable to prevent, so far as is possible, the re-creation of a burden of farming debts from which the agricultural community suffered in the past. It is doubtful if the United Nations should go beyond this. It is still more doubtful whether, if these reforms were not effected, the transformation of tenants into peasant proprietors would do very much to alleviate the farmers' distressed conditions.

APPENDIX "A"JAPANESE AGRICULTURE AND THE SYSTEM OF LAND TENURE

1. Ownership.

a. The ownership of agricultural land in Japan is almost entirely in private hands; it is widely diffused and there are no large landed proprietors in the Western sense of the word. The vast majority of owners possess less than $2\frac{1}{2}$ acres, and the average size of holding of the 3,000 landowners who own over 125 acres (the highest classification) is 300 acres. Such holdings though small by Western standards, are relatively large when the average size of Japanese farm, about $2\frac{1}{2}$ acres, is taken into account.

b. 43 per cent. of forest land and "genya" (moor or waste land sometimes covered with scrub) is privately owned, and even for this type of land the large private owners' holdings only average 425 acres.

c. The following tables (Tables I and II) are indicative of the distribution of farm-land ownership before the war. There is no reason to suppose that there has been any radical change during the war years, although the Japanese Government has undoubtedly been making efforts to increase the number of peasant owners.

Table I

Distribution of landowners by amount of land owned
(1939)

	Owners. (Thousands.)	% of all owners.
Owning less than $1\frac{1}{4}$ acres	2,440.4	48.0
Owning $1\frac{1}{4}$ to $2\frac{1}{2}$ acres	1,329.5	26.1
Owning $2\frac{1}{2}$ to $7\frac{1}{2}$ acres	937.4	18.5
Owning $7\frac{1}{2}$ to $12\frac{1}{2}$ acres	220.9	4.3
Owning $12\frac{1}{2}$ to 25 acres	107.8	2.1
Owning 25 to 125 acres	42.8	.9
Owning 125 acres and upwards	3.0	.1
	<u>5,081.8</u>	<u>100.0</u>

Table II

Distribution of Land by Size of Holding

<u>No. of owners</u>	<u>Average area of land per owner</u>	
	<u>Acres</u>	<u>Total Acreage</u>
2,440,400	.75	1,830,300
1,329,500	1.9	2,526,050
937,400	5.0	4,687,000
220,900	10.0	2,209,000
107,800	18.0	1,940,400
42,800	57.0	2,439,600
3,000	300.0	900,000
		<u>16,532,350</u>

The figures in Table I are taken direct from Japanese official statistics. Table II is merely derived from those statistics; the figures in the second column (except in the case of the two largest classes, where the figures are taken direct from Japanese sources) are arbitrary estimates of the average holding in each class. As the result is to give a total acreage which is 1,500,000 acres in excess of the total tillable land, it is evident that the estimates of the average holding are too high. The discrepancy between the figure given here and the actual figure is probably widest in the case of the classes with the largest holdings (other than the last two classes)

d. For 1936 the following figures are given:-

Owners cultivating their own land	(Thousands) 4,080
Owners not cultivating their own land	1,070
	<u>5,150</u>

e. From the above figures, it is clear that:

(1) while some 7 per cent. or 8 per cent. of the agricultural landowners own about half the agricultural land, their average holdings are only about 20 acres and there are about 400,000 landowners in this class;

(2) while one-fifth of the landowners (1 million of them) do not themselves cultivate their land, the average holding of such landowners must be very small;

(3) the large landed estate, as it is understood in England, does not exist in Japan, and the typical farmer in Japan is a peasant proprietor, or a small peasant farmer renting his land, wholly or in part, from a very small landlord.

f. The same is true of privately-owned forest-land and "genya".

Table III

Ownership of Forest and "genya" (1939)

<u>Owners</u>	<u>Forest</u>	<u>Percent.</u>	<u>Genya.</u>	<u>Per cent</u>	<u>Total</u>	<u>Percent</u>
(Unit = Thousand acres.)						
Imperial						
Household	2,928	5.7	341	4.6	3,269	5.5
State	18,159	35.0	583	8.0	18,742	31.8
Public bodies, temples & shrines	8,923	17.3	2,303	31.4	11,226	19.0
Private	21,641	42.0	4,111	56.0	25,752	43.7
	<u>51,651</u>	<u>100.0</u>	<u>7,338</u>	<u>100.0</u>	<u>58,989</u>	<u>100.0</u>

Table IV

Distribution of privately-owned Forest and "genya"

(1931) by size of holding.

	<u>No. of owners (thousands)</u>	<u>Per cent.</u>	<u>Average size of holding (acres)</u>	<u>Total area (thousand acres)</u>	<u>Per cent.</u>
Up to 2½ acres	3,224	75	1.3	3,945	15
2½ to 12½ acres	825	19	7.6	6,265	25
12½ to 50 acres	220	5	29.4	6,507	26
50 to 125 acres	37	1	88.2	3,236	13
Over 125 acres	13	...	419.0	5,451	21
	<u>4,319</u>	<u>100</u>	<u>544.5</u>	<u>25,404</u>	<u>100</u>

2. Tenure.

a. The tenure of agricultural land is, in the main, an inheritance of feudal days. In the time of the Shogunate, the peasant's position closely resembled that of a European serf. He was tied to the soil and was forbidden to sell the land he cultivated. He was subjected to onerous feudal obligations, and a very high proportion of his rice crops (sometimes as high as 80 percent.) was paid over to his lord. This system was breaking down in the later years of Tokugawa; peasants deserted their farms for the towns; and some land came into the possession of merchants and other commoners. The feudal system was abolished a few years after the Restoration of 1868. The feudal lords (daimyo) received pensions in compensation for the surrender of their fiefs, and most of the peasants became the owners of the land they tilled, but were subjected to a high land tax, which for many years produced the bulk of the national revenue.

The new class of non-feudal landowner, who had appeared even before the Restoration, grew in importance and acquired land from peasants who wished, or were compelled through financial difficulties, to sell their land.

b. The customary practice under this new system of tenancy was for a landowner to let land to a tenant without providing dwelling house or implements. The contract was a verbal contract, except that sometimes the tenant agreed in writing to return the land to the owner, without indemnity, if the owner required possession or if the tenant failed in his obligations. The rights and obligations of both parties were seldom set out in written contracts. The tenant was usually at the mercy of the landlord and had little protection from the law, however much he might in practice secure from custom. Little change occurred in this system throughout the new era.

c. The system of relationships in Japan's agriculture and the whole structure of Japanese land tenure are extremely complex. A man may own land of which he farms a part himself and leases the remainder; he may in turn rent some ground from a third party. Tenants, again, may sub-let part of the land they rent. The size of almost every unit of rented land is very small (say), a field or two of from one-eighth to half an acre. The farmer's fields do not form a compact block. He cultivates a number of isolated fields, some paddy land, some dry upland fields, and as much as a mile may separate the more distant ones. Thus, one tenant farmer may have several landlords, even though the land he tills does not amount to more than 2 or 3 acres.

3. Farming Population and Size of Farms.

The Following table shows the relative importance of peasant proprietors, tenants, and farmers who are both proprietors and tenants:-

Table V

Classification of agricultural households (1939)

	<u>Number (thousands)</u>	<u>Percentage</u>
a. Peasant proprietors	1,699.5	30.9
b. Tenants	1,461.0	26.6
c. Part-owners and part-tenants	<u>2,331.4</u>	<u>42.5</u>
	5,491.9	100.0

Unfortunately, there is no information about the proportion of the land farmed by c which is actually owned by the farmer himself. It is stated, however, that, in general, 54 per cent. of all agricultural land is tilled by owners, and 46 per cent. by tenants. The latter predominate in the cultivation of paddy land and the former in the cultivation of the dry upland fields.

Table VI

Distribution of farmers by amount of land cultivated (1939).

(In thousands.)

Under $1\frac{1}{4}$ acres	1,853.6
$1\frac{1}{4}$ to $2\frac{1}{2}$ acres	1,799.8
$2\frac{1}{2}$ to 5 acres	1,325.2
5 to $7\frac{1}{2}$ acres	314.5
$7\frac{1}{2}$ to $12\frac{1}{2}$ acres	122.1
$12\frac{1}{2}$ acres and over*	76.1
	<u>5,491.3</u>

4. Rents.

As in Tokugawa times, the rent of the paddy field is still paid in rice. Rent for upland fields, however, is usually paid in money, based originally on crop yields.

The rent of paddy fields, the most productive type of land varies with their quality. It is based on the average rice yield over a number of years, not on the yield of the current year, and so the system is not to be confused with sharecropping. In a bad rice year the farmer may find that the rent absorbs a very large proportion of his rice crop, and such years are usually marked by an increase in the number of tenant-landlords disputes.

Broadly speaking, paddy field rent absorbs on the average of 50 per cent. of the crop. The following figures are taken from a Japanese official year book:-

*It is noteworthy that 66,000 of these farms were in Hokkaido.

Table VII

a. Paddy field rent--paid in rice--average for the whole of Japan.

(1 Koku = 4.96 bushels.)

<u>Year</u>	<u>Koku per acre</u>
1937	4.16
1938	4.20
1939	4.24
1940	4.28

The average yield of rice for all Japan during the years 1935-39 was 8.36 koku per acre.

b. Dry (upland) field rent--paid in yen--average for the whole of Japan.

<u>Year</u>	<u>Rent per acre (yen)</u>	<u>Approx. equivalent in sterling at 1s.2d. to the yen</u>		
		<u>£</u>	<u>s.</u>	<u>d.</u>
1937	58.84	3	8	8
1938	64.12	3	14	10
1939	67.76	3	19	0
1940	86.56	5	1	0

5. Price of land.

The value of agricultural land in Japan is very high. The prices mentioned below can only serve as a very rough guide to the all-over average prices ruling in 1939.

Table VIII

Average price of land (1939)

	<u>Yen per tan (.245 acre.)</u>	<u>Approx. value per acre in sterling (at 1s.2d. to the yen.)</u>
		<u>£</u>
Paddy fields	576	135
Dry, upland fields	343	80

These are average figures and, as the quality of the land varies very greatly from one location to another, the range is very wide. Prices have fluctuated very considerably during the past thirty years, reaching high levels at the end of the first world war, slumping again during the depression of the early thirties and recovering again from 1935-36. The scarcity of land and the absence of sellers renders land a highly prized commodity. Not more than 2 per cent. of all agricultural land changes hands annually.

6. Taxation.

The basis of national taxation, established at the beginning of the Meiji era, was a tax on land. It was the only basis possible at the time, but to-day it is very adverse to agricultural interests. Tax reforms of various kinds have been effected and have done a little to reduce the gap between urban and rural taxation, but serious inequalities still exist. The landowners' taxes were before the war two or three times as high as those paid by manufacturers and merchants in the same income group. The Imperial Agricultural Society in 1934 calculated that a landlord with an annual income of 1,000 yen paid 54 per cent. of it in taxes, as compared with 14 percent. for a merchant or manufacturer. The disparity between the tenant farmer and an urban worker in the same income group was similar. The landowner, in years when the price of rice was low, might find that even if he sold all his rent-rice, the proceeds were insufficient to meet the land tax. The tenant, paying prefectural and other local dues, was equally burdened, and this heavy incidence of taxation is one cause of the great indebtedness of owner and tenant alike. Table IX is taken from a Japanese source:-

Table IX

Taxation on cultivators in 1937

(Yen per tan = .245 acre.)

	<u>Paddy fields</u> Yen	<u>Upland fields</u> Yen
National land tax	1.733	.485
Prefectural land tax	1.543	.468
Town or village land tax	.946	.284
Other local rates on land	1.079	1.079
	<u>5.301</u>	<u>2.316</u>

Equivalent in sterling per acre at 1 £ s. d. 1 s. d.
 1s. 2d. to a yen 1 4 9 0 10 10

Attempts to effect a radical change in the distribution of the tax burden have had to contend with great opposition from the powerful urban, manufacturing interests. War-time taxation has undoubtedly increased the amount paid by industrialists and commercial interests, but has brought little absolute relief to the agriculturists.

7. Debts.

The high price of land, heavy taxation and a shortage of liquid capital has caused the agricultural community to accumulate over the years a debt burden estimated as between 4,000 and 4,800 million yen in 1932, or some 800 yen per farming household. Landowner and tenant share this burden, which has very probably risen to the neighbourhood of 6,000 million yen-- and perhaps higher.

This debt carries a very high interest rate, in spite of a well-organised system of rural banks, including semi-Government banks, and co-operative credit societies. Interest rates vary from 7 per cent. to 15 per cent. and may average 10 per cent. to 12 per cent.

Co-operative credit societies play a large part in financing the small owner and tenant. The far-reaching activities of these societies is set out fully in Appendix "C". Farmers and landowners comprised over 70 per cent. of all co-operative society membership in 1929. In 1932, the Ministry of Agriculture and Fisheries' Annual Report showed that the total amount of advances made by co-operative credit societies to those engaged in agriculture, forestry and fishing was 1,017 million yen, of which the great bulk was loaned to the farming community. Another survey, made in 1930, concluded that the interest of agricultural debts in 1929 amounted to 459 million yen; this may be compared with a total national income derived from agriculture of 1,863 million yen.

The cultivator normally obtains seed, fertiliser and other articles necessary to his craft on credit from the co-operative credit societies, the agricultural banks or, if a tenant, from his landlord as well. And if a bad season occurs, unpaid interest added to the loan steadily accumulates. This debt structure is both formidable and complex and caution would be needed in any attempt to solve the problem of reducing it to manageable proportions.

8. Landlord and Tenant.

The lot of many landlords is by no means an easy one, paying as they do more taxation in proportion to income than the industrialist or manufacturer. Agricultural land, as a capital investment, brings in a very small rate of profit; much of it is mortgaged to banks and the interest thereon eats up a great deal of the income.

The farmer's position is still harder and his taxation just as burdensome. Pressure of population and the scarcity of land have resulted in very high prices. He has little security of tenure; he almost invariably carries a heavy burden of debt; his chances of saving enough to purchase the fields he rents, even if the owner were willing to sell, are slender. Pride of ownership and the prestige it carries are barriers to any extensive change of distribution of land proprietorship. Nor is there any great amount of uncultivated land that can be profitably converted into farmland; the cost of reclamation is high and the returns incommensurate with the expense involved.

9. Tenancy Disputes.

The number of disputes varies with the ups and downs of agricultural seasons and prices. Disputes most frequently arise from the desire of the owner to regain possession of the land for his own use, or to re-rent to a more pliable tenant.

In 1924 the Tenancy Disputes Conciliation Law was passed, of which the main provision was to place in each prefecture a special tenancy official to handle dispute cases. From the experience so gained it was hoped to devise means to minimize, and provide against, the causes of tenancy disputes. Unless, however, tenants are given greater security of tenure, and the scale of rents so adjusted that a poor crop will not leave the tenant with less than a bare living, disputes are inevitable.

10. Government Action.

The Japanese Government and the people generally, have been acutely aware of the need of agricultural reform for many

years, especially as regards the great burden of debt carried by the farmers and the insecurity of tenure. The transformation of tenants into peasant proprietors has been encouraged since 1925. Low interest loans for this purpose totalled 155 million yen by the end of 1935, and the acreage affected was 186,200 or 2.7 per cent. of all tenant-farmer land. Still greater efforts were planned after 1937, including the pressing on with the 25-year plan (1927-52) for establishing an additional million acres of peasant-owned farms, for which purpose the Government was prepared to advance loans of up to 1,000 million yen. By the end of 1938, 392,000 acres had been dealt with. In 1938 the Farm Land Adjustment Law was passed, designed to improve the position of tenant farmers and their relations with landlords, to facilitate settlement of agrarian disputes and the disposition of farms owned or cultivated by men called to the services.

In 1937-8 several laws were passed which increased the number of banks and other organizations which might grant loans for the redemption of farm debts and provided for Government compensation for losses incurred thereby.

During the war years further steps were planned. In 1943 there was a report of a 10-year plan for agriculture. The scheme apparently contemplated the reallocation among peasant proprietors of some 3.6 million acres of cultivated land then occupied by tenants, plus the conversion to agriculture of 1.2 million acres of uncultivated land. In 1943 a start was to be made with 125,000 acres.

What progress was made is not known. The Ministry of Agriculture and Forestry claims in December 1945 that an Act for land reform still before the Diet session will, if enacted, increase the acreage cultivated by owners from 7.6 to 11.3 million acres, with a corresponding decrease of tenant-cultivated acreage from 6.4 to 2.7 million. In 1939, 47 percent. of farm land was tilled by tenants, or some 7 million acres. If the present changeover of 3.7 million acres were in fact accomplished tenant-cultivated land would be reduced to nearly one-third of the 1939 figure.

It is not clear whether this latest measure would be responsible for the entire reconversion; the more probable explanation is that the change has been a gradual one, and that previous plans have merged one into the other, culminating in the Bill presented to the latest Japanese Diet. The sequence of attempts to tackle the agricultural problem does, however, testify to the concern on the part of the Japanese authorities.

11. Proposals for Reform.

From what has been said above, it will appear that the conversion of all tenants into peasant proprietors would be a financial undertaking of great complexity, for it is not a problem of dispossessing a few great magnates but of acquiring land from an immense number of small landlords who are themselves carrying a heavy burden of obligations to banks and other mortgagees. Moreover, although the forcible expropriation of the landlords and the provision of compensation for them out of taxation paid by the townspeople is a kind of measure which would probably win the immediate approval of tenants, yet it is by no means certain that, in the long run, the smaller farmers would find that this increase in their independence would not be accompanied by disadvantages. It would therefore seem necessary to proceed with great caution in this matter.

The task of reallocating land so that each peasant would hold a compact farm instead of scattered fields is likely to be difficult and prolonged, for though it would greatly increase the efficiency of agriculture, it would certainly be attended by innumerable disputes. Nevertheless, on technical grounds, there are very strong arguments in favour of proceeding with a policy of this kind.

The transformation of rice rents into money rents has also been suggested. It is by no means certain, however, whether this would be to the tenant's advantage, for the present system means at least that, when the price of rice changes, the benefits or the burdens resulting from those changes are shared between tenant and landlord.

On the other hand, it would seem to be most important that the tenant should obtain greater security of tenure, and to this end it might be made compulsory for the landlords to provide the tenants with written leases which define clearly the obligations of both parties. The Government might be required to provide a model form of lease which should govern the contracts between the parties.

There can be no doubt that the agricultural classes as a whole suffered from a much heavier burden of taxation than that imposed on other classes in the community, and the redistribution of this tax burden should be an important object of policy. If this should be achieved through the reduction in the land tax, it would be important to insure that the relief was passed on to the tenant in the form of a lower rent. Finally, although the debt burden may have been greatly eased as a result of inflation, it is highly desirable to prevent the reappearance in Japan of the weight of debt from which the peasantry suffered in the last few decades. Attempts should be made therefore to reorganize the whole system of agricultural credit, probably through the agencies of the agricultural co-operative societies and the Hypothec Bank, in the hope that this would result in a lowering of interest rates

These reforms, if carried out, might be expected to go some way in improving the lot of the agricultural community, upon which depends to such a large extent the political temper of the Japanese.

APPENDIX "B"GENERAL HEADQUARTERS SUPREME COMMANDER FOR THE ALLIED POWERS

AG 602.6 (9th December, 1945) CIE

9th December 1945

MEMORANDUM for Imperial Japanese Government (through Central Liaison Office, Tokyo).

SUBJECT: RURAL LAND REFORM

1. In order that the Imperial Japanese Government shall remove economic obstacles to the revival and strengthening of democratic tendencies, establish respect for the dignity of man, and destroy the economic bondage which has enslaved the Japanese farmer to centuries of feudal oppression, the Japanese Imperial Government is directed to take measures to insure that those who till the soil of Japan shall have a more equal opportunity to enjoy the fruits of their labor.

2. The purpose of this order is to exterminate those pernicious ills which have long blighted the agrarian structure of a land where almost half the total population is engaged in husbandry. The more malevolent of these ills include:

a. Intense overcrowding of land.

Almost half the farm households in Japan till less than one and one-half acres each.

b. Widespread tenancy under conditions highly unfavorable to tenants.

More than three-fourths of the farmers in Japan are either partially or totally tenants, paying rentals amounting to half or more of their annual crops.

c. A heavy burden of farm indebtedness combined with high rates of interest on farm loans.

Farm indebtedness persists so that less than half of the total farm households are able to support themselves on their agricultural income.

d. Government fiscal policies which discriminate against agriculture in favor of industry and trade.

Interest rates and direct taxes on agriculture are more oppressive than those in commerce and industry.

e. Authoritative Government control over farmers and farm organizations without regard for farmer interests.

Arbitrary crop quotas established by disinterested control associations often restrict the farmer in the cultivation of crops for his own needs or economic advancement.

Emancipation of the Japanese farmer cannot begin until such basic farm evils are uprooted and destroyed.

3. The Japanese Imperial Government is therefore ordered to submit to this Headquarters on or before the 15th March 1946, a program of rural land reform. This program shall contain plans for:--

a. Transfer of land ownership from absentee land owners to land operators.

b. Provisions for purchase of farm lands from non-operating owners at equitable rates.

c. Provisions for tenant purchase of land at annual installments commensurate with tenant income.

d. Provisions for reasonable protection of former tenants against reversion to tenancy status. Such necessary safeguards should include:--

(1) Access to long- and short-term farm credit at reasonable interest rates.

(2) Measures to protect the farmer against exploitation by processors and distributors.

(3) Measures to stabilize prices of agricultural produce.

(4) Plans for the diffusion of technical and other information of assistance to the agrarian population.

(5) A program to foster and encourage an agricultural co-operative movement free of domination by non-agrarian interests and dedicated to the economic and cultural advancement of the Japanese farmer.

e. The Japanese Imperial Government is requested to submit, in addition to the above, such other proposals it deems necessary to guarantee to agriculture a share of the national income commensurate with its contribution.

For the Supreme Commander:

(Signed H. W. ALLEN,
Colonel, A.G.D.
Assistant Adjutant-General.

APPENDIX "C"

Co-operative societies began to come into existence in the latter half of the nineteenth century; some modelled on the patterns of other countries, some of purely Japanese types; but the wide growth of this form of association began with the Co-operative Societies Act of 1900. By its definition of a co-operative society this Act provides for societies of four different types:--

1. Co-operative credit societies;
2. Co-operative selling or marketing societies;
3. Co-operative buying societies; and
4. Co-operative utility societies.

A single society may combine two or more of these activities. This act and its subsequent amendments were designed to foster co-operative societies and conferred upon them privileges of tax-exemption, extended to them Government loans at low interest rates and authorized certain land credit banks to grant them loans without security. These privileges brought with them a complementary amount of Government control and official supervision by placing co-operative societies under the supervision of the local (prefectural) administrative authority and under the general direction of the Minister of Commerce and Industry. Within the framework established by the Act and subject to the conditions of registration, however, co-operative societies were permitted to arrange their own affairs in the members' meeting as in other countries, and a legal upper limit was fixed to the number and value of shares which might be held by one member. During the war years the degree of Government intervention increased and the co-operative societies were used directly as a means for mobilizing the Japanese economy for war purposes. In 1940 it became obligatory for farmers to belong to a co-operative society. Until the war, however, co-operation, though benefiting from the official protection afforded it, was a reasonably genuine movement of self-help among the rural population, and official intervention did not discourage a moderate amount of democratic freedom in the conduct of co-operative affairs.

Credit societies are the most numerous, while societies for the purchase of equipment and those for sales and marketing hold second and third places respectively. These societies were almost entirely rural. A survey of the occupations of members in 1929 shows that at that time 73 per cent were farmers. It is probable that these farmers were mostly small landlords and medium-sized peasant proprietors. The smaller peasant proprietors and tenant farmers were, for the most part, too poor to afford the entrance fee to the societies (usually the purchase of one share of about 50 yen value). Co-operative societies were, in fact, started and afterwards encouraged by the Government to meet the most pressing needs of the rural population. In 1933, of nearly 7 million members of co-operative societies representing (i.e., counting families) over a quarter of the total population, only 255,500 were members of consumers' distributive co-operatives -- a typical urban form of co-operation.

The extent to which the credit societies met the needs of farmers is shown by the fact that loans granted by co-operative societies amounted, in 1938, to over 1,000 million yen, 70 per cent of which were loans granted without any other security than the personal integrity of the borrower himself. Interest rates varied from 8 to 12 per cent., about 1 to 2 per cent. less than current rates. The business of the purchasing and marketing societies was almost entirely confined to the purchasing of machinery, implements, fertilisers and daily necessities required by the farming population and to the marketing of agricultural produce and the products of rural industry. Among the latter, raw silk and cocoons amounted in 1930 to more than half of the total value of goods marketed. Rice came next in value.

In 1917 the Agricultural Storage Act was passed to facilitate the preservation in special granaries or warehouses of cereals and cocoons. Storage may not be conducted for profit and may be managed by bodies corporate, such as co-operative societies, agricultural societies and public bodies. The responsible body,

in addition to preserving the produce deposited, may not only carry on all the processes of improving, grading and preparing it for sale, but may also act as intermediary and make loans on the guarantee of the deposit certificate. This opened a new field for co-operative enterprise and by 1930 92 per cent. of the warehouses established under the Act were run by co-operative societies.

Table showing number, membership and operations of Japanese Co-operative Societies, all types, 1900-1938.

Year	Societies	Members ship.	Paid in Share Capital Yen
1900 ...	23	*	*
1910 ...	7,308	789,264	19,348,734
1915 ...	11,509	1,392,589	*
1920 ...	13,442	2,290,235	354,605,957
1930 ...	14,082	4,743,091	223,226,949
1931 ...	14,163	4,813,140	234,572,589
1932 ...	14,352	4,978,248	329,725,266
1933 ...	14,651	5,238,253	243,968,997
1934 ...	14,815	5,505,897	*
1937 ...	15,316	6,265,904	348,300,000
1938 ...	15,328	6,842,228	365,000,000

Amount of business in Yen.

Year	Purchasing.	Productive.	Marketing.	Loans granted.
1900 ...	*	*	*	*
1910 ...	*	*	*	*
1915 ...	27,121,109	*	38,925,376	108,237,870
1920 ...	*	*	*	*
1930 ...	155,174,000	5,826,000	192,474,000	984,476,000
1931 ...	127,271,000	5,728,000	181,140,000	1,005,675,000
1932 ...	105,881,000	5,392,000	202,839,000	1,017,633,000
1933 ...	129,111,000	5,731,000	261,399,000	1,017,521,000
1934 ...	155,992,000	6,817,000	*	*
1937 ...	*	*	*	1,095,800,000
1938 ...	426,400,000	*	749,600,000	1,085,400,000

* Not available.

FEC-042/1

18 June 1946

FAR EASTERN COMMISSION

AGRARIAN REFORM IN JAPAN

Note by the Secretary General

The enclosure, Soviet proposals regarding Agrarian Reform in Japan, submitted by the Soviet Representative, is circulated herewith for the information of the Far Eastern Commission, and is referred to COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS for consideration.

NELSON T. JOHNSON
Secretary General

FEC-042/1

ENCLOSUREPROPOSALS OF THE SOVIET DELEGATION ON THE FAR EASTERN COMMISSION
REGARDING THE AGRARIAN REFORM IN JAPAN

1. The existing old system of land tenure in Japan, under which the majority of the peasants are in semi-feudal and bondage-like dependence from land-lords and big land-owners, is the main reason of the extreme material insecurity of the peasant masses of the population, their state of spiritual oppression, and their low culture. A proper solution of the agrarian problem in Japan must, therefore, be one of the principal objectives of the Allied occupation.

The characteristic feature of Japanese agriculture is that the greatest part of all peasant households are total or partial tenants who are forced to rent the land from the land-lords under bondage-like conditions. Therefore, the elimination of feudal relations in agriculture and the establishment of such farm households which would have the necessary acreage of land with the rights of ownership and free from feudal dependence must be the first measure among the democratic changes in Japan.

2. The directive of the Supreme Commander for the Allied Powers of December 9, 1945 on the subject of Rural Land Reform provided for two principal objectives:

a. The substitution of peasant proprietorship for tenancy with the transfer of land ownership from absentee land-owners.

b. The introduction of measures for preventing the newly-created peasant proprietors from reverting to their former status of partial or total tenants dependent on the big land-owners.

The Japanese Imperial Government was ordered to carry out this directive. However, the practice showed that the Japanese government intentionally evades from the fulfilment of the aforesaid directive of the Supreme Commander to carry out a really democratic agrarian reform.

3. The so-called draft of "the land reform" worked out by the Japanese Government and submitted to the Headquarters of the Supreme Commander on the 15 March, 1946, bears witness to the

stubborn insistence of the Japanese government to evade from carrying out the democratic agrarian reform. The measures, provided for by the Japanese Government in the above mentioned draft are quite unsatisfactory, as they are primarily directed to protect the interests of the landlords, the former reliable stronghold of Japanese militarism and aggression and as they are, in essence, directed to preserve the existing feudal relations in village, for the method of transfer of the land, its price and compensation place the peasants, total or partial tenants, in such a position in which they are practically unable to purchase the land they rent from the landlords.

4. Proceeding from the situation thus created in Japan, the Soviet Delegation on the Far Eastern Commission considers it timely and appropriate to raise the question for the discussion by the Commission of the necessity of carrying out a more real, for the peasants, democratic agrarian reform. In order to raise the appropriate fund necessary for the land reform with the primary purpose of providing land to all the peasants-tenants and to those who own little land, and in accordance with the Supreme Commander for the Allied Powers directive of December 9, 1945 to insure those who till the soil, the Japanese Government should undertake, as a matter of legislation, to carry out the following measures:

a. To buy out and take over all the land which was not cultivated by the owners themselves up to the 2nd of September, 1945, but was either leased to tenants or remained uncultivated.

b. To establish the acreage of land to be left for the landlords, not exceeding 3 cho, to be applied throughout Japan.

c. The taking over and buying out of these lands and their transfer to the fund of the land reform should be carried out under the following terms:

(1) The price of the land taken over from the landlords and other land-owners, whose acreage does not exceed 25 cho is paid in full at the price fixed by the government.

(2) The price of the land taken over from the landlords and other land-owners, whose acreage does not exceed 50 cho is paid for the first 25 cho in full, and the remainder in half of the price fixed by the government.

(3) The price of the land taken over from the landlords and other land-owners whose land property exceeds 50 cho is paid half of the price (50%) fixed by the government.

(4) All the land of the Imperial Household must be transferred to the fund of the land reform free of compensation.

(5) The price for land must be determined at the following rate:

Paddy fields - not higher than 440 yen per tan.

Dry, upland fields - not higher than 260 yen per tan.

5. The payment for the land requisition from the landlords will be responsibility of the state. One half of these expenses should be covered by the state funds, the second half being covered from the funds raised by the state from sale of the above-mentioned requisited lands to the partial and total tenants.

6. The fund of the land reform should be used primarily for providing the land to those peasants who have very little land or have no land at all, and who toil the land themselves. The land must be sold to these peasants at the following prices:

Paddy fields - not higher than 220 yen per tan;

Dry, upland fields - not higher than 130 yen per tan.

No direct negotiations should be carried on between the land-owners whose land is requisited and the peasants purchasing this land.

7. The procedure of requisition and the transfer of this land to the peasants is carried out by the government organs together with representatives of the Diet and prefectural assemblies. The payment of land purchased by the peasants is settled on installments during 25 years by means of the credits made available to the peasants by appropriate credit-financial organizations on favorable and reasonable terms with the interest not higher than 2, 5% per annum.

8. All the transactions of purchase and sale of land as well as the transactions of transfer of the rights of ownership concluded by any other method during the period following the

1 December 1945, should be declared invalid and the provisions of the land reform should be applied on the general terms to the land which was the object of such transactions.

9. The land reform should be completed by the 1 January, 1948.

FEC-042/2RESTRICTEDFEC-042/29 December 1946FAR EASTERN COMMISSIONAGRARIAN REFORM IN JAPANNote by the Secretary General

1. The enclosure, a draft of the Japanese Land Reform, is circulated herewith for the consideration of the Far Eastern Commission and is referred to COMMITTEE NO.2: ECONOMIC AND FINANCIAL AFFAIRS.

2. The enclosure is the latest draft available in Washington but there is some doubt as to whether it is the complete text of the law as finally approved by the Diet.

NELSON T. JOHNSON
Secretary General

FEC-042/2

E N C L O S U R E

AGRARIAN REFORM IN JAPANSpecial Measure for the Establishment
of Owner-Farmers
(Land Reform Law)

Article 1

The purpose of this law is to establish owner-farm lands promptly and widely for the purpose of stabilizing the status of cultivators and giving them the fruits of their labor, thus, increasing the agricultural productive power and promoting a democratic tendency in rural communities.

Article 2

The agricultural land within the purview of this law is a land which is or is to be cultivated.

Within the purview of this law, an owner-farm land is agricultural land which the person engaged in cultivation is employing for his business by his right of ownership, and the tenant-farm land is agricultural land which the person engaged in cultivation is employing for his business by his right of lease, loan of use, emphyteusis, superficies, or pledge.

In applying the preceding paragraph, the rights mentioned therein are considered applicable to a farmer engaged in cultivation who lives in the same house with the head of the house and his family, or to a person engaged in cultivation who does not live in the same house with the family by a special reason as shall be specified by an order.

Within the purview of this law, an owner-farmer is an individual who is engaged in cultivation on owner-farm land, and a tenant-farmer is an individual who is engaged in cultivation on tenant-farm land.

Article 3

The agricultural land mentioned below shall be purchased by the government:

1. Tenant-farm land located outside the limits of the city, town, or village in which the owner's residence is situated. (The limits of a city, town, or village include areas of the neighboring city, town or village designated by the Agricultural Land Commission of the city, town, or village with the approval of the Prefecture Agricultural Land Commission. The term when hereinafter referred to shall be used in the same definition.)
2. The area of tenant-farm land which, although located within the limits of the city, town, or village in which the permanent residence of an owner of tenant-farm land is situated, exceeds the area of farm land designated for each prefecture by the Central Agricultural Land Commission. In Hokkaido, a farmer is allowed four cho-bu. (TN-1 cho-bu is equivalent to 2.45 acres.)

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3. The area of tenant-farm within the limits of the city, town or village in which the owner resides which exceeds the total area of owner-farm land and tenant-farm land which can be owned by a farmer. The area of ownership is determined by the Central Agricultural Land Commission for each prefecture. In Hokkaido a farmer is allowed to own a total area of 12 cho-bu.

The area of agricultural land mentioned in para. 2 and 3 of the preceding Article for each prefecture should be determined so as to have an average of about 1 cho-bu per person in the case of para. 2, and about 3 cho-bu in the case of para. 3.

If deemed especially necessary, the Prefecture Agricultural Land Commission, with the approval of the Central Agricultural Land Commission, may divide the limits of the prefecture into two or more sections, and determine the area by sections instead of by prefecture mentioned in items 2 and 3 of para. 1, in respect of each of such limits. However, the average area thereof shall be nearly the same as that of the prefecture mentioned in items 2 and 3 of that paragraph.

The area of the agricultural lands mentioned in item 7 of Article 5 shall not be included in the areas of owner-farm land or tenant-farmer land mentioned in items 2 and 3 of para. 1 if so ordered by the Government.

Besides the agricultural land mentioned in para. 1, the agricultural land mentioned below, if so ordered by the Government and if the Prefecture Agricultural Land Commission or the Agricultural Land Commission of the city, town, or village deems it suitable that it be purchased by the Government for the purpose of establishing owner-farm land, shall be purchased by the Government.

1. Owner-farm land, the cultivation of which by the owner-farmer is not reasonable, so much as exceeds the area mentioned in item 3 of para. 1;
2. Owner-farm land cultivated by a person other than the owner-farmer on the basis of contract or other promises;
3. Owner-farm land owned by a juristic person or other associations whose cultivation of land is considered not reasonable;
4. Tenant-farm land owned by a juristic person or other associations;
5. Agricultural land which is not presently used by the person who can cultivate it on the basis of ownership or other rights;
6. Agricultural land, other than those mentioned in the items above, which the owner thereof has requested to the Agricultural Land Commission of the city, town, or village the purchase of such lands by the Government.

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Article 4

In applying the provisions of the preceding Article, the agricultural lands owned by the head or a member of the family of an owner of agricultural land who lives in the same house or the head or a member of the family of an owner who has left the same house by the special reason mentioned in Article 2, para. 3, within the limits of a city, town or village in which the permanent residence of the said owner is situated shall be deemed to be owned by the owner of the said agricultural land.

In applying the provisions of para. 1 of the preceding Article, although the owner of agricultural land has moved from the limits of the city, town, or village in which his agricultural land is located because of the reasons mentioned in Article 2, para. 3, his permanent residence shall be considered to be situated within the limits of that city, town, or village.

Article 5

Government purchase as mentioned in Article 3 shall not apply to agricultural lands coming under the following items:

1. Agricultural land which the Government or public corporation uses for public or for official business;
2. Agricultural land owned by a prefecture, city, town, village, Agricultural Association of a prefecture, city, town, or village, Agricultural Enforcement Association, Agricultural Land Development Agency, or other specified associations, and which will be used for co-operative cultivation or for the purpose of establishing an owner-farm land;
3. Agricultural land designated by the prefectural governor for agricultural experimentation and research, or guidance of agricultural affairs;
4. Agricultural land which is situated in the area within which adjustment of town-lots is effected under Article 12, para. 1 of the City Planning Law or of the land mentioned in Article 16, para. 1 of that Law, and which is situated within an area designated by the prefectural governor;
5. Agricultural land which is deemed suitable to be used for other purposes in the near future and which is designated by the Agricultural Land Commission of the city, town, or village with the approval of the Prefecture Agricultural Land Commission;
6. A farm land cultivated by a person other than the owner on a basis of lease or loan because of the owner-farmer's incapability of cultivating his own land because of illness or other reasons as shall be specified by orders, and which is treated by the Agricultural Land Commission of the city, town, or village as an owner-farm land to be cultivated by the owner himself.

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7. Agricultural land which yields irregularly, such as a newly developed land, burnt field, and changed field, or other agricultural land specified by order, which the Agricultural Land Commission of a city, town, or village deems it unsuitable to be purchased by the government.

Article 6

In case the government purchases the land in accordance with the provisions of Art. 3, such purchase shall be made in compliance with the farm land purchase plan set up by the Agricultural Land Commission of a city, town, or village.

The time for purchase of agricultural land must be provided in the farm land purchase plan.

In case the rental value of a land is fixed under the Land Tax Law, the consideration mentioned in the preceding paragraph shall be determined within the extent of the amount which represents 40 times of the said rental value for paddy field and 48 times for upland field (if the prefectural governor has specified the rates in accordance with the provisions of Art. 6-3, para. 1 of the Agricultural Land Adjustment Law, such rate shall apply instead of 40 or 48); in case there is no rental value fixed under the Land Tax Law, the Agricultural Land Commission of a city, town, or village shall determine the price with the approval of the prefectural governor. However, under special circumstances, the Agricultural Land Commission of a city, town, or village may determine the amount with regard to the said agricultural land with the approval of the prefectural governor.

The Agricultural Land Commission of a city, town, or village when setting up the plan for agricultural land purchase, must take into consideration the following matters:

1. To give the future owner-farmers a fair opportunity to purchase agricultural lands;
2. To group the agricultural land cultivated by persons to be owner-farmers and to make suitable and just the proportion of the paddy field and the field of the said agricultural land according to the circumstances of the district concerned.

If the Agricultural Land Commission of a city, town, or village sets up an agricultural land purchase plan, public notice thereof shall be given without delay and the document stating the following matters shall be displayed for inspection at the city, town, or village offices for ten days after the day on which public notice has been given:

1. Name and permanent residence of the owner of the agricultural land to be purchased;
2. The location, lot number, land condition (in cases wherein the land condition entered in the land register differs from its actual condition, the condition as it appears in the land register as well as the actual condition will be listed; the term hereafter shall be understood in the same definition) and area of the land which is to be purchased;
3. Consideration;
4. Time for purchase.

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Article 7

If any person who is entitled to ownership with regard to agricultural land which comes under the agricultural land purchase plan mentioned in the preceding article is not satisfied with the plan, he may submit complaint to the Agricultural Land Commission of the city, town, or village concerned. However, this shall not apply if the period of time for inspection mentioned in para. 3 of the preceding article has elapsed.

If the Agricultural Land Commission of a city, town, or village receives the complaint mentioned in the preceding paragraph, it shall render decision within twenty days after the expiration of the time for inspection mentioned in para. 3 of the preceding article.

The applicant who is not satisfied with the decision mentioned in the preceding paragraph may file a petition with the Prefecture Agricultural Land Commission. However, this shall not apply if ten days have elapsed since the expiration of the period mentioned in the preceding paragraph.

If the Prefecture Land Commission received the petition mentioned in the preceding paragraph, it shall make a ruling within twenty days after the expiration of the provision mentioned in preceding paragraph.

Article 8

If no complaint mentioned in para. 1 of the preceding article has been made within the set time against the plan for purchasing an agricultural land mentioned in Art. 6, or if such complaints have been made but the decisions have been made to all of them in accordance with the provisions of para. 2 of that article without any petition filed within the period mentioned in para. 3 of that article, or if petitions have been filed but decisions have been made on all of them in accordance with the provisions of para. 4 of that article, the Agricultural Land Commission of city, town, or village shall obtain, without delay, the approval of the Prefecture Agricultural Land Commission relating to such plan for purchase of the agricultural land.

Article 9

The purchase mentioned in Art. 3 shall be effected by means of the delivery of the writ of purchase by the prefectural governor to the owner of the said agricultural land in compliance with the agricultural land purchase plan which has been approved in accordance with the provisions of the preceding article; but if in case the owner of the said agricultural land is unknown or if the writ cannot be delivered, a public notice of the matters mentioned in para. 2 of this article may be made by orders to substitution for the delivery of writ.

The writ shall contain the following matters:

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1. Matters mentioned in Art. 6 para. 5;
2. Method and time for payment;
3. Other necessary matters.

In case the prefectural governor delivers the writ or issued a public notice in accordance with the provisions of para. 1, he shall notify to that effect without delay to a person having the preferential right, pledge or hypothec in the agricultural land which comes under the farm land purchase plan; but in case a person having the preferential right, pledge, or hypothec is unknown or the notification cannot be delivered, the public notice may be issued by orders in substitution for the notification.

Article 10

The area of an agricultural land to which the Articles 3, 6, 9 apply will be the area registered on the land register; but if the Agricultural Land Commission of a city, town, or village considers the area registered in the book unreasonable and changes the scope, the area of the said agricultural land shall be determined by the latter.

Article 11

The procedures taken or other acts done in accordance with the provisions of Articles 3 to 9 inclusive shall also have effect on the successor of the preferential right, pledge, hypothec, or ownership of the agricultural land purchaseable by the Government.

Article 12

When the prefectural governor takes the necessary proceedings mentioned in Article 9, the ownership of the said agricultural land will be transferred to the Government at the time of purchase stated in the writ or in the public notice mentioned para. 1 of the same Article, and all previous rights of ownership will be cancelled.

In case the right of lease, loan for use, emphyteusis, superficies, or servitude exists in the agricultural land at the time such land is acquired by the Government in accordance with the provisions of the preceding paragraph, those rights held by persons at the time of Government's acquisition will be considered valid under the same conditions as before, and will be valid for the remaining period of the previous rights.

In case a preferential right, pledge, or hypothec exists in the above-mentioned acquired land, such preferential right, pledge, hypothec shall be considered valid in the same manner as those mentioned in the preceding paragraph.

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Article 13

In order to purchase the agricultural land in accordance with the provisions of Article 3, the Government shall, at the time of purchase, pay the consideration thereof to a person who owns the said agricultural land; but in case a person holding a preferential right, pledge, or hypothec in the said purchased agricultural land requests a recompense or, in case the holder of such right is unknown, the prefectural governor will deposit the consideration.

A person having the preferential right, pledge or hypothec in the said agricultural land may enforce his right against the consideration deposited in accordance with the provisions of the preceding paragraph.

The Government will give a subsidy to the owner of the agricultural land for the area of land which the Government will purchase in accordance with the provisions of Article 3. (The area purchaseable by the Government is that which exceeds the area specified in Article 3, para. 1, item 3, or para. 3. of the same Article.)

The amount of the said subsidy shall be determined by the competent minister taking the 220 yen per tan (TN-one tan is about .245 acres) of paddy field and 130 yen per tan of upland field as a standard and taking the yield, location, and other conditions of the land into consideration. In applying the regulations of the third paragraph of this Article, refer to regulations in Article 10.

Article 14

A person, who is not satisfied with the consideration of the agricultural land purchased by the Government, in accordance with the provisions of Article 3 may bring an action in an ordinary court. However, this will not apply if one month has elapsed since the day on which the writ was delivered or the public notice mentioned in the latter part of para. 1 of Article 9 was issued.

Article 15

If a person who is to be the owner-farmer of the agricultural land purchased in accordance with the provisions of Article 3 or a person having ownership or other rights in such a land requests that the farm implements, land, or building mentioned below be purchased by the Government, and the Agricultural Land Commission of a city, town, or village recognizes such purchase desirable, the Government shall purchase it.

1. The farm implements necessary for the cultivation of the said agricultural land to be purchased in accordance with the provisions of Article 3;
2. The pasture in which a person who is to be owner-farmer of the agricultural land purchased in accordance with the provisions in Article 3 possesses the right

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of lease, loan of use, or emphyteusis; building-
lot of which he is entitled to a superficies;
building of which he is entitled to lease.

In the case mentioned above, Article 6, para. 1, 2, 5,
Articles 7 to 12 inclusive, Article 13, para. 1, 2, and
Article 14 shall apply with the necessary modifications.

The consideration mentioned in Article 6, para. 2 which
is applicable to the case mentioned above shall be specified
in an ordinance in which the value has been determined by
taking the current value of similar land in its vicinity into
account; and, in case of land other than a pasture, the current
land price will be taken into account.

Article 16

The Government may, in accordance with the provisions of
order, sell the agricultural land purchased in accordance
with the provisions of Article 3 and other agricultural land
owned by the Government as shall be specified by an ordinance
to the tenant-farmer engaging in cultivation on that land
at the time of purchase or other person as shall be specified
by the ordinance who is likely to devote himself to culti-
vation as owner-farmer.

Under special circumstances, the Government may sell
the agricultural land purchased in accordance with the
provisions of Article 3 to the Agricultural Association of
a city, town, or village, or to other associations as shall
be specified by an ordinance which take part in the establish-
ment of owner-farmers.

Article 17

A person mentioned in the preceding Article who wants to
buy the agricultural land mentioned therein must apply to
the Agricultural Land Commission of the city, town, or village.

Article 18

In order to effect the sale mentioned in Article 16,
the Government shall follow the agricultural land sale plan
set up by the Agricultural Land Commission of the city, town,
or village.

The agricultural land to be sold, the purchasing party,
time, and the price of land shall be provided in the agri-
cultural land sale plan.

The purchasing party mentioned in the preceding para-
graph shall be a person who has applied for such land in
accordance with the provisions of the preceding Article.

When the Agricultural Land Commission of the city, town,
or village establishes an agricultural land sale plan, a
public notice thereof shall be issued without delay, and the
document stating the following matters shall be displayed
for inspection at the city, town, or village administrative
office for ten days after the day on which public notice has
been issued.

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1. Name and permanent residence of the purchaser;
2. The location, lot number, condition of soil, and the area of the agricultural land to be sold;
3. Consideration;
4. Time for sale.

The provisions of Article 8 shall apply with the necessary modifications to the agricultural land sale plan.

Article 19

If a person who has made an application for land purchase in accordance with the provisions of Article 17 is not satisfied with the plan mentioned in the preceding Article, he may make a complaint to the Agricultural Land Commission of the city, town, or village concerned. However, this shall not apply should the period for inspection mentioned in para. 4 of Article 18 elapse.

In the case mentioned in the preceding paragraph, the provisions of Article 7, para. 2 to 4 inclusive shall apply with the necessary modifications. In this case, the words, "para. 5 of the preceding Article" written in Article 7, para. 2 shall be changed to read, "para. 4 of Article 18".

Article 20

The sale mentioned in Article 16 shall be effected by means of the delivery of written notice of sale by the prefectural governor to the purchaser in compliance with the agricultural land sale plan which has been approved in accordance with the provisions of Article 8 which is applicable with the necessary modifications under Article 18, para. 5.

The written notice shall contain the following matters:

1. Matters mentioned in Article 18, para. 4;
2. Method and time for payment of considerations;
3. Other necessary matters.

Article 21

When the written notice mentioned in the preceding Article has been delivered, the purchaser stated in such written notice shall acquire the ownership of the said land at the time of sale stated in the written notice.

Article 14 will apply in determining the price of the above-mentioned agricultural land.

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Article 22

Where a person who has a land right in accordance with the provisions of Article 12, par. 2 is not the purchaser of the said agricultural land sold in accordance with the provisions of Article 16, the said right shall become null at the time of purchase of the said agricultural land. (In case this right is servitude, this nullification shall apply only to those servitude which the Agricultural Land Commission of a city, town, or village recognized to be a hindrance to the cultivation of the said agricultural land.)

The Government shall compensate the loss arising from the nullification of the right mentioned in the preceding paragraph, to the person having such right; however, this shall not apply if the person has acquired the right in accordance with the provisions of Article 12, para. 1 after the public notice in Article 6, para. 4 was issued.

The loss to be compensated in accordance with the provisions of the preceding paragraph shall be the loss arising normally from the nullification of the right mentioned in para. 1.

The Agricultural Land Commission of a city, town, or village shall determine the amount of compensation mentioned in para. 2 with the approval of the prefectural governor.

If the Agricultural Land Commission of a city, town, or village determines the amount of compensation mentioned in the preceding paragraph, it shall notify such amount without delay to the person to whom the compensation is to be made in accordance with the provisions of para. 2 of this Article.

A person, who is not satisfied with the determination of the amount of compensation mentioned in para. 4 may bring action in an ordinary court; however, this shall not apply if 20 days have elapsed since the day on which the notification mentioned in the preceding paragraph was given.

The provisions of Article 13, para. 1 and 2 shall apply with the necessary modifications in case the right subject to nullification in accordance with the provisions of para. 1 of this article is a preferential right, pledge, or hypothec.

Article 23

In cases where the government sells the agricultural land in accordance with the provisions of Article 16, if there is special necessity to effect the reasonable establishment of owner-farmers, the Agricultural Land Commission of a city, town, or village may indicate the necessary matters to the owner of the tenant-farmer land in respect of the exchange of the said agricultural land for the tenant-farmer land purchased by the government bearing a close resemblance to the said land in its class, area, and rank.

The instructions mentioned in the preceding paragraph shall be given to the owner of the said tenant-farm land after determining the location, lot number, condition, and area of the agricultural lands to be exchanged between the Government and the tenant-farm land owner.

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A person who has been given instructions in accordance with the provisions of para. 1 shall negotiate with the Agricultural Land Commission of that city, town, or village with regard to such exchange within ten days after such instruction is given.

If no agreement is reached or no negotiation is made in cases mentioned in the preceding paragraph, the Agricultural Land Commission of the **city**, town, or village may refer this matter to the Agricultural Land Commission of the prefecture.

If the ruling is made in accordance with the provisions in the preceding paragraph, it shall be deemed that the contract of exchange was made according to the above-mentioned ruling.

Article 24

Ownership of the exchange land mentioned in the preceding Article shall be transferred on the date fixed at the negotiation mentioned in paragraph 3 of that Article or on the date set at the ruling mentioned in paragraph 4 of that Article.

The preferential right, pledge, or hypothec, which has existed in the said tenant-farm land at the time of transfer of ownership mentioned in the preceding Article, shall exist in the agricultural land which the owner of the said tenant-farm land has acquired after the exchange.

Article 25

In cases where the government sells the agricultural land in accordance with the provisions of Art. 16, if there is special necessity to effect the reasonable establishment of owner-farmer, the Agricultural Land Commission of city, town, or village may indicate the necessary matters to a person having lease or emphyteusis in the agricultural land to be sold by the government and a person having lease or emphyteusis in the agricultural land bearing a close resemblance to the said land in its class, area, rank, etc, which has not been purchased by the government, in respect of the exchange of lease or emphyteusis owned by them.

The instructions mentioned in the preceding paragraph shall be effected to the person mentioned in that paragraph after the location, lot number, condition, and area of both agricultural lands have been designated.

The transfer of the lease or emphyteusis in the exchange mentioned in paragraph 1 may be effected notwithstanding the provisions of the provisions of Articles 272 and 612 of the Civil Code.

The Agricultural Land Commission of a city, town, or village will, without delay, notify the owner and leaser of the agricultural land the instructions mentioned in paragraph 1.

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In case the above-mentioned person who has been notified in accordance with the provisions of the preceding paragraph is not satisfied with the instructions mentioned in paragraph 1, he may make complaint to the Agricultural Land Commission of the city, town, or village concerned. However, this shall not apply if ten days have elapsed since the notification was delivered.

The provisions of Art. 23, paras, 3 to 5 inclusive and the preceding Article shall apply with the necessary modifications to the exchange mentioned in para. 1, provided in this case "negotiate with the Agricultural Land Commission of a city, town, or village" referred to in Art. 23, para. 3 shall mean "negotiate" and "the Agricultural Land Commission of a city, town, or village" ----- a ruling in the Agricultural Land Commission of the Metropolis, Territory, Special Prefecture" referred to in Art. 23, para. 4 shall mean "a person who has been indicated in accordance with the provisions of para. 1 ----- a ruling in the Agricultural Land Commission of a city, town, or village".

Article 26

The purchase-money of the agricultural land which has been sold in accordance with the provision of Art. 16 shall be paid by the method of annual installment with interest of 3.2% per year within the period of thirty years (including the period which it is left unredeemed); but if a person who has purchased the said agricultural land apply for the whole or a part of the purchase-money may be paid at a time.

Article 27

If the total amount of such annual installment of the purchase-money of the agricultural land which has been sold in accordance with the provisions of Art. 16 and taxes and other financial obligation on such land exceeds the fixed rate of the amount of its ordinary yield, the government shall reduce or exempt the annual installment, or take other measures necessary to lighten the charge relating to the payment of purchase-money.

The fixed rate mentioned in the preceding paragraph shall be determined by the Control Agricultural Land Commission but it shall not exceed one-third.

Except for the matter provided in the preceding paragraph the matters necessary for the operation of the provisions of para. 1 shall be provided by order.

Article 28

If a person to whom the agricultural land has been sold in accordance with the provision of Art. 16 or his inheritor wants to cease to be owner-farmer, the government shall, in accordance with the provisions of order, demand him to sell the said agricultural land to the government.

In case where the government demands in accordance with the preceding paragraph, the sale is formed at the time of the demand with the terms offered by the government. The provisions of Art. 6, para. 3 shall apply with the necessary

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modification to this case.

Article 29

If a person, specified by order to whom the agricultural land will be sold in accordance with the provisions of Article 16, desires to purchase agricultural implements and installations, lands, or buildings which have been purchased by the Government in accordance with Article 15, he must make such requests to the Agricultural Land Commission of the city, town, or village.

The provisions in Articles 16, 18 to 22 inclusive, 26, 28 will apply with regard to the sales of the agricultural implements and installations, lands, or buildings which the Government has purchased in accordance with Article 15. In this case, the words, "Article 17" in Article 19, paragraph 1, and "preceding Article" in Article 18, paragraph 3 will be changed to read, "Article 29, paragraph 1."

Article 30

The lands and appertaining rights which the Government may purchase for the purpose of establishing owner-farm land areas follows:

1. Lands, other than agricultural lands, which are to be developed into agricultural lands;
2. Rights, other than ownership or mortgage, appertaining to a Government-owned land which is to be developed into agricultural land;
3. Lands adjacent to those mentioned in the item 1 or 2, and which are considered suitable to be developed together;
4. Trees, buildings, or other structures on the land mentioned in item 1 or 2;
5. Fishing rights;
6. Water rights;
7. Lands, buildings, or other structures necessary for the utilization of land mentioned in item 1 or 2 after such land has been developed.

The Government may use the land or other things mentioned in items 6 and 7.

Article 31

The Government will use or purchase the items mentioned in the preceding Article in accordance with the undeveloped land purchase plan set up by the Prefecture Agricultural Land Commission in compliance with the ordinance.

In the above-mentioned plan, items to be purchased or used, such as the land; rights; trees, buildings, and other constructions as well as the time of purchase, time and period of usage, and price will be included.

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Agricultural land price will be determined in accordance with Article 6, paragraph 3 with the necessary modifications, and, as shall be specified by orders, prices on all other lands will be determined by the current value of adjacent lands based on their similarity. Prices on all other items will be determined by their current value. In this case, the words, "Agricultural Land Commission of the city, town, or village," mentioned in Article 6, paragraph 3, will be changed to read, "the Agricultural Land Commission of the metropolis, the territory, special prefecture, or prefectures."

The metropolis, the territory, a special prefecture or Prefecture Agricultural Land Commission, after drawing the undeveloped land purchase plan, will immediately issue a public notification to that effect and furthermore, for a period of ten days after such issuance, will display the books containing the following items at the city, town, and village administrative offices in which the items to be purchased or used are located.

1. Name and address of the owner of the lands, rights, trees, or other installations to be purchased or used;
2. Location, lot number, classification, and area of land; type of land right; quantity, location and type of trees; type and location of installations which are to be purchased or used;
3. Consideration;
4. Time of purchase, and time and length of period the items will be used;

In drafting the undeveloped land purchase plan, the provisions in Articles 7 and 8 will apply with the necessary modifications. In this case, the following words in these provisions, "Agricultural Land Commission of the city, town, or village" will be changed to read, "Agricultural Land Commission of the Prefecture". "Agricultural Land Commission of the Prefecture" will be changed to "governor", and the words, "paragraph 5 of the said Article" in Article 7, paragraph 1, and in Article 8, and "paragraph 5 of the preceding Article" in Article 7, paragraph 2 will all be changed to read "Article 31, paragraph 4," and "recognize" in Article 8 will be changed to read, "approved."

Article 32

For the purpose of drafting the undeveloped land purchase plan mentioned in the preceding Article, if necessary, the Agricultural Land Commission of the metropolis, the territory, special prefecture, or a prefecture member or a person working for the Commission may enter a land owned by another for the purpose of surveying or inspecting, and if necessary may have the owner remove or transfer the obstacles hindering such survey or inspection. However, any loss incurred to the owner as a result of such removal or transfer must be compensated.

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If necessary, the Government will apply the provisions of the preceding paragraph for the purpose of using or purchasing the items mentioned in Article 30. In this case, the words, "Committee member or person working for the Committee" shall be changed to read "the Government official."

Article 33

The Government may have the owner or the possessor remove any property attached to the installations or to the land (including lands mentioned in Article 30, paragraph 1, item 2) which the Government is to purchase in accordance with Article 30.

If the property mentioned in the preceding paragraph cannot be used again for the same purpose because of its removal, the owner may request the Government to purchase such properties, as shall be stipulated in an ordinance.

The prefectural governor will determine the price on the properties mentioned in the preceding paragraph on the basis of their current value.

Concerning the purchase mentioned in the preceding paragraph, the provisions in Articles 9, 11, Article 12, paragraph 1, Article 13, paragraph 1 and 2, and Article 14 shall apply with the necessary modifications. In this case, the words, "each item in Article 31, paragraph 4", "Articles 6 to 9" in Article 11 will be changed to read, "Article 9 which will apply to Article 33, paragraph 4."

Article 34

With regard to the use or purchase mentioned in Article 30, the provisions in Articles 9 to 11, Article 12, paragraph 1, Article 13, paragraphs 1 and 2, and Article 14 will apply with the necessary modifications. In this case, the words, "each item in Article 6, paragraph 5," in Article 9, paragraph 2, item 1, will be changed to read, "Each item in Article 31, paragraph 4." "Articles 6 to 9" in Article 11 will be changed to "Articles 7 and 8 which apply to Article 31, paragraphs 1 to 4 (Including the case of Article 38, paragraph 2,) and Article 9 which will apply to Article 34." The words, "Agricultural Land Commission of a city, town, or village" in Article 10 will be changed to read "the Agricultural Land Commission of the metropolis, the territory, a special prefecture, or a prefecture" unless the said sale is made in accordance with Article 38.

Article 35

In cases where the government uses the right, land, tree, or structure in accordance with the provisions of Art. 30, para. 2, the government shall acquire the said right, or the right of use on land, tree, structure at the time of use stated on the writ mentioned in Art. 9, para. 1 which is applicable with the necessary modification under the preceding Article or at the time of use by giving public notification in accordance with the latter part of that paragraph, and the

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said right, or the right over land, tree, or structure shall be suspended and not be exercised during the period of use, except one which is not obstacle to the use.

Article 36

When the Government's use in accordance with the provisions of Article 30, para 2, of the right, land, trees, or other constructions exceeds a period of three years, or, if by such use, the right, land, trees, or the other constructions mentioned above have become extremely difficult to be used for their original purpose, the possessor of the above-mentioned items may, as shall be stipulated by an ordinance, request the Government to purchase such items.

The purchasing price for the above-mentioned items shall be determined by the prefectural governor.

In the case of paragraph 1, the provisions in Article 31, paragraph 3 and Article 33, paragraph 4 will apply. In this case, the words, "the Agricultural Land Commission of the city, town, or village will receive the approval of the prefectural governor" in the provision of paragraph 3, Article 6, which applied to Article 31, paragraph 3, will be changed to read "prefectural governor."

Article 37

After purchasing the land in accordance with Article 30, the Government may, if deemed especially necessary, purchase another land or use such other land (including the trees on that land) for the purpose of selling or leasing to the person in place of the land mentioned in Article 30 in which he has the right of ownership, lease, loan of use, emphyteusis, superficies, or the right to share with others in use.

In the above-mentioned case, the provisions in Articles 31 to 37 inclusive will apply with the necessary modifications.

Article 38

If the area of land, mentioned in Article 30, paragraph 1, item 1, which is to be purchased by the Government in accordance with Article 30, paragraph 1, does not exceed the area designated by the competent minister, the Government may purchase the said land in accordance with the undeveloped land purchase plan set by the Agricultural Land Commission of the city, town, or village, notwithstanding the provisions in Article 31, paragraph 1.

In the above-mentioned case, the provisions in Articles 7, 8, Article 31, paragraphs 2, 3, 4, and Article 32, paragraph 1, will apply with the necessary modifications. In this case, the words, "paragraph 5 of the same Article" in Article 7, paragraph 1, and in Article 8, and the words, "paragraph 5 of the preceding Article" in Article 7, paragraph 5, will be changed to read, "Article 31, paragraph 4"; the

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words, "Prefecture Agricultural Land Commission" in Article 31, paragraph 4, and in Article 32, paragraph 1, will be changed to read, "Agricultural Land Commission of a city, town, or village."

Article 39

The Government shall make compensation for the damages and losses incurred from the act mentioned in Article 32, paragraph 1 (including the cases in which Article 37, paragraph 2, and Article 38, paragraph 2, are applicable with the necessary modifications); the removal mentioned in Article 33, paragraph 1 (including the cases in which Article 37, paragraph 2, is applicable with the necessary modifications); the cancellation of rights mentioned in Article 12, paragraph 1, which is applicable with the necessary modifications under Article 33, paragraph 4 (including cases in which Article 36, paragraph 3, and Article 37, paragraph 2, or Article 34, are applicable with the necessary modifications); or the suspension of right mentioned in Article 35 (including the case in which Article 37, paragraph 2, is applicable with the necessary modifications).

Except for the compensation for the act mentioned in Article 32, paragraph 1 (including the cases in which Article 37, paragraph 2, and Article 38, paragraph 2, are applicable with the necessary modifications), the person entitled to a compensation mentioned in the preceding paragraph will be the person having the right other than the rights of security or ownership on the land, right, trees, constructions, or other properties in the case of purchase or use mentioned in Articles 30 and 37, or in the case of purchase mentioned in Article 33, paragraph 2 (including the case in which Article 37, paragraph 2 is applicable with the necessary modifications) and in Article 36, paragraph 1, (including the case in which Article 37, paragraph 2, is applicable with the necessary modifications), and in the case of removal mentioned in Article 33, paragraph 1 (including the case in which Article 37, paragraph 2, is applicable with the necessary modifications), the person having the right other than mortgage on the removed property will be compensated. However, the above-mentioned compensation will not be made if the person has obtained such rights after the issuance of the public announcement mentioned in Article 31, paragraph 4. (This also includes the cases in which Article 37, paragraph 2, and Article 38, paragraph 2, are applicable with the necessary modifications.)

The provisions in Article 23, paragraphs 3 to 7 inclusive will apply in determining the amount of compensation of paragraph 1. In this case, the words, "Agricultural Land Commission of a city, town, or village" will be changed to read, "prefectural governor" if the said compensation is to be made for the act mentioned in Article 32, paragraph 1, which is applicable in the case of paragraph 2 of that Article (also applicable in the case of Article 37, paragraph 2), or for the removal mentioned in Article 33, paragraph 1 (also applicable in the case of Article 37, paragraph 2), or for the purchase mentioned in Article 33, paragraph 2, and Article 36, paragraph 1 (also applicable in the case of Article 37, paragraph 2). For all other compensations, excepting the case of purchase in the preceding Article, the words will be changed to read, "the Agricultural Land Commission of the metropolis, the territory, a special prefecture or a prefecture."

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Article 40

With regards to the land purchased by the Government in accordance with Article 30, or the development of land mentioned in Article 30, paragraph 1, item 2, the limitations and restrictions which will be stipulated in other ordinances will not apply.

Article 41

The Government may sell or rent to a person suitable as an owner-farmer or to a person who shall be designated by orders the land (including the land mentioned in Article 30, paragraph 1, item 2), rights, trees, or constructions purchased by the Government in accordance with Article 30, paragraph 1, or used in accordance with paragraph 2 of the same Article.

The provisions in Article 17, Article 18, paragraphs 1, 2, 3, 5, Articles 20, 21, 26, will apply with the necessary modifications to the sale or lease mentioned in the preceding paragraph. In case the sale or lease is made on land (including the land mentioned in Article 30, paragraph 1, item 2), rights, trees, or constructions which were purchased or used by the Government in accordance with the words, "Agricultural Land Commission of the city, town, or village" mentioned in Article 8 which is applicable in the case of Article 17, Article 18, paragraphs 1 and 5, will be changed to read, "Prefecture Agricultural Land Commission," and the words, "approval of the Prefecture Agricultural Land Commission" will be changed to, "approval of the prefectural governor."

In case the land mentioned in Article 30, paragraph 1, items 1 to 3 inclusive is to be sold in accordance with paragraph 1 of this Article, the provisions of Article 27 and 28 will apply in addition to those mentioned in the preceding paragraph.

Article 42

After the public announcement mentioned in Article 6, paragraph 5 (also applicable in the case of Article 15, paragraph 2) and in Article 31, paragraph 4 (also applicable in the cases of Article 37, paragraph 2, and Article 38, paragraph 2), the possessor of the rights on the land, agricultural implements and installations, constructions, or trees included in the purchase plan cannot change the shape of the said land, or destroy or remove the said agricultural implements and installations, and constructions without the permission of the prefectural governor. However, this shall not apply if the above-mentioned destruction or removal of items does not hinder the plan of purchase or use.

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Article 43

The price on the land, rights, trees, constructions, and other items which the Government purchases or uses in accordance with Articles 3, 15, 30, Article 33, paragraph 2, Articles 36 and 37, the considerations mentioned in Article 13, paragraph 3, and the compensation mentioned in Article 22, paragraph 2 and in Article 39, paragraph 1, may be paid in bonds redeemable within 30 years.

For the purpose of making the above-mentioned payment, the Government may issue bonds within the limit of the required amount.

The Finance Minister will determine the delivery price on the bond mentioned in the preceding two paragraphs in accordance with the current value.

The necessary matters pertaining to the bonds mentioned in the second paragraph will be provided in an order.

Article 44

The registration of the purchase mentioned in Articles 3, 15, Article 30, paragraph 1, Article 33, paragraph 2, Articles 36 and 37, of the sale and lease mentioned in Article 16 (also applicable in the case of Article 29, paragraph 2) and 41, of the exchange mentioned in Articles 23 and 25, and of the purchase mentioned in Article 28, paragraph 1 (also applicable in the case of Article 11, paragraph 3), will be specified by an imperial ordinance.

Article 45

The minister in charge or the governor may, if deemed necessary, demand the necessary reports relative to the agricultural land, or other lands or properties.

Article 46

A portion of the authority of the minister in charge of the supervision of land, rights, trees, constructions, or other items purchased or used by the Government in accordance with Articles 3, 15, 30, Article 33, paragraph 2, or Article 36 or 37, may be exercised by the mayor of a city, town, or village, or by other persons as shall be specified by an order.

Article 47

The matters, coming under the jurisdiction of the Agricultural Land Commission of a city, town, or village according to this law, may be handled by the Agricultural Land Commission of the metropolis, the territory, the special prefecture or prefecture if deemed necessary by the competent minister or by the governor for the purpose of establishing an owner-farm land.

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- a. A person who refuses, hinders, or evades a Government official's order regarding survey, inspection, transfer, or removal mentioned in Article 32, paragraph 1, which is applicable in the case of Article 32, paragraph 2 (also applicable in the case of Article 37, paragraph 2).
- b. Violator of Article 42.
- c. A person who, in violation of Article 45, fails to make a report or who makes a false report.

Article 51

A representative of a corporation, or an agent, employee, or worker employed by a corporation or by a person, who violates item "b" or "c" of the preceding Article shall be punished, and furthermore, corresponding fines shall be imposed on the corporation or the person.

By-law

The date of enforcement of this law shall be designated by an imperial decree.

Regarding the land-purchase mentioned in Article 3, paragraph 1, the Agricultural Land Commission of a city, town, or village may, if considered appropriate, take the present conditions (23 Nov 1945) as a basis in formulating the agricultural land purchase plan mentioned in Article 6.

The reason for introducing this bill is that, a measure must be taken to establish owner-farm lands immediately and on an extensive scale in order to stabilize the status of the farmers and give them a just reward of their toil, thus expanding the agricultural productivity and promoting a democratic tendency in farm villages.

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In the above-mentioned case, the governor will take charge of the matters which will come under the jurisdiction of the Prefecture Agricultural Land Commission according to this law. Under this law, any complaints to be made against the Agricultural Land Commission of a city, town, or village will be made against the Prefecture Agricultural Land Commission, and petitions to be filed against the Prefecture Agricultural Land Commission will be made against the governor.

The minister in charge may have the governor or the Central Agricultural Land Commission take charge of the matters under the jurisdiction of the Prefecture Agricultural Land Commission by this law, if he considers this especially necessary for the establishment of an owner-farm land.

In the above-mentioned case, the matters which will come under the jurisdiction of the governor or the Central Agricultural Land Commission will be managed by the competent minister, and any complaints to be made against the Prefecture Agricultural Land Commission by this law, will be made against the governor or the Central Agricultural Land Commission, and any petitions to be filed against the governor will be filed against the competent minister.

Article 48

In districts where a District Agricultural Land Commission is established, the provisions in this law which concerns the Agricultural Land Commission of a city, town, or village will be applicable to this District Agricultural Land Commission. In this case, the words, "city, town, or village district" mentioned in Article 3, paragraph 1, will be changed to read, "district in which a District Agricultural Land Commission is established", and "district of the adjacent city, town, or village" in Article 3, paragraph 1, item 1, will be changed to, "within the district of the adjacent city, town, or village, or a district in which a District Agricultural Land Commission is established, and which is adjacent to the said district."

Article 49

The provisions in this law, which pertains to a town or a village or to its mayor will apply to the Town-Village Association (Chosen Kumiai) or to the manager of this association which mutually handles the entire administration of a town or village, or to other similar organizations in areas where the Town-Village system (Chosen-Sei) is not enforced. The provisions of this law which pertains to a city or to its mayor will, in the case of Tokyo To, apply to the Ku, and in the case of the cities of Kyoto, Osaka, Yokohama, Nagoya, and Kobe, it shall apply to the Ku and Ku-cho (district head) who are designated by the governor.

Article 50

Any person who comes under any of the categories mentioned below shall be imprisoned for a maximum period of six months or fined 500 yen or less:

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- a. A person who refuses, hinders, or evades a Government official's order regarding survey, inspection, transfer, or removal mentioned in Article 32, paragraph 1, which is applicable in the case of Article 32, paragraph 2 (also applicable in the case of Article 37, paragraph 2).
- b. Violator of Article 42.
- c. A person who, in violation of Article 45, fails to make a report or who makes a false report.

Article 51

A representative of a corporation, or an agent, employee, or worker employed by a corporation or by a person, who violates item "b" or "c" of the preceding Article shall be punished, and furthermore, corresponding fines shall be imposed on the corporation or the person.

By-law

The date of enforcement of this law shall be designated by an imperial decree.

Regarding the land-purchase mentioned in Article 3, paragraph 1, the Agricultural Land Commission of a city, town, or village may, if considered appropriate, take the present conditions (23 Nov 1945) as a basis in formulating the agricultural land purchase plan mentioned in Article 6.

The reason for introducing this bill is that, a measure must be taken to establish owner-farm lands immediately and on an extensive scale in order to stabilize the status of the farmers and give them a just reward of their toil, thus expanding the agricultural productivity and promoting a democratic tendency in farm villages.

FEC-042/3FEC-RESTRICTEDFEC-042/36 November 1947FAR EASTERN COMMISSIONFINAL TEXT OF LAND REFORM LAW AND PROPOSED AMENDMENT
(Reference: FEC-042/2)Note by the Secretary General

1. The enclosures, Japanese legislation and proposed amendments regarding land reform, are circulated herewith by the Secretariat for the information of the Far Eastern Commission.

2. The particular attention of COMMITTEE NO. 2: ECONOMIC AND FINANCIAL AFFAIRS is invited to the enclosures.

3. Enclosure "A" is the "Land Reform Law" known also as the "Law Concerning the Special Measure for the Establishment of Owner-Farmers," promulgated on 21 October 1946 for the purpose of transferring ownership of farms to those actually engaged in farming and improving the status of any remaining tenant farmers. Enclosure "A" is the final text of the Land Reform Law as shown in the Japanese Official Gazette of 21 October 1946 (attention is invited to the fact that Enclosure "A", the final text, differs from the text of the draft law shown in FEC-042/2, "Agrarian Reform in Japan," circulated 9 December 1946).

4. Enclosure "B" shows proposed amendments to the Land Reform Law (Enclosure "A"). These amendments have been received from the Supreme Commander together with the information that they were approved by the Japanese Cabinet, but had not yet been introduced to the National Diet, as of 9 October 1947. These and any other amendments to the Land Reform Law, as they are finally approved by the Diet, will be circulated by the Secretariat when they become available.

NELSON T. JOHNSON
Secretary General

FEC-042/3

FEC-RESTRICTEDENCLOSURE "A"Law No. 43

21 October 1946

LAW CONCERNING THE SPECIAL MEASURE FOR THE
ESTABLISHMENT OF OWNER FARMERS

Art. 1 This Law has the object of establishing the owner-farmers promptly and widely for the purpose of stabilizing the status of cultivators and giving them the fruits of their labour fairly thereby contributing to the increase of the Agricultural productive power and promotion of the democratic tendency in rural communities.

Art. 2 The agricultural land within the meaning of this Law is land which is employed for cultivation.

Within the meaning of this Law, the owner-farmer land is an agricultural land which the person engaging in cultivation is employing for his business on the ground of ownership and the tenant farmer land is an agricultural land which the person engaging in cultivation is employing for his business on the ground of lease, loan for use, emphyteusis, superficies or pledge.

In applying the provisions of the preceding paragraph, those rights, mentioned in that paragraph, which are possessed by a head of the family or a family member of a person engaging in cultivation who lives in the same house or a head of the family or a family member of a person engaging in cultivation who does not live in the same house by the special reason as specified by order shall be deemed to be possessed by the said person engaging in cultivation.

Within the meaning of this Law, the owner-farmer is an individual who is engaging in cultivation on the owner-farmer land and the tenant-farmer is an individual who is engaging in cultivation on the tenant-farmer land.

Art. 3 The agricultural land mentioned below shall be purchased by the government.

1. The tenant-farmer land owned by the owner of the tenant-farmer land outside the limits of any City, Town or Village in which his permanent residence is situated (comprising the area which is, within the administrative limit of City, Town or Village adjacent thereto, and which is designated as to be corresponding to the area within the limits of such City, Town or Village by the Agricultural Land Commission of a City, Town or Village, with the approval of the Agricultural Land Commission of the Metropolis Hokkaido, a Special Prefecture or a Prefecture; the term when hereinafter referred to shall be used in the same sense);

2. In cases where within the limits of any City, Town or Village in which the permanent residence of an owner of tenant-farmer land is situated, he owns a tenant-farmer land, the area of which in Hokkaido exceeds four chobu or in the Metropolis, a Special Prefecture or a Prefecture exceeds the area determined by the Central Agricultural Land Commission in respect of each Metropolis, Special Prefecture or Prefecture, the tenant-farmer land within the said limits exceeding such area;

3. In cases where the total of the area of the tenant-farmer land which a person having the agricultural land owns

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within the limits of any City, Town or Village in which his permanent residence is situated and of the area of the owner-farmer land owned by him exceeds twelve chobu in Hokkaido or exceeds in the Metropolis, Special Prefecture or Prefecture, the area determined by the Central Agricultural Commission in respect of each of the Metropolis, Special Prefecture or Prefecture the tenant-farmer land within the said limits exceeding such area.

In fixing the area mentioned in any of items 2 and 3 of the preceding paragraph in respect of each of the Metropolis, a Special Prefecture and a Prefecture, the average area shall be about one chobu with regard to the land mentioned in item 2 and be about three chobu with regard to the land mentioned in item 3.

If deemed specially necessary, the Agricultural Land Commission of the Metropolis, Hokkaido, a Special Prefecture or a Prefecture may, with the approval of the Central Agricultural Land Commission, divide the limits of the Metropolis, Hokkaido, Special Prefecture or Prefecture concerned into two or more limits and determine the area in place of the area mentioned in any of items 2 and 3 of para. 1 in respect of each of such limits, provided that the average area thereof shall be nearly the area for each of the Metropolis, Hokkaido, a Special Prefecture or a Prefecture, mentioned in item 2 or 3 of that paragraph.

The area of the agricultural lands as specified by order which are mentioned in item 7 of Article 5 shall not be included in the area of the owner-farmer land or tenant farmer land mentioned in any of items 2 and 3 of par. 1.

Apart from the agricultural land mentioned in par. 1, the agricultural land mentioned below which in accordance with the provisions of order, the Agricultural Land Commission of the Metropolis, Hokkaido, A Special Prefecture or Prefecture or the Agricultural Land Commission of a City, Town or Village deems it suitable that it be purchased by the government for the purpose of establishing an owner-farmer land shall be purchased by the government.

1. In cases where the area of an owner-farmer land of the owner-farmer whose cultivation is not reasonable, exceeds the area mentioned in item 3 of para. 1, such part of the owner-farmer land as exceeding the said area;

2. The owner-farmer land which is engaged in cultivation by a person other than an owner-farmer on the ground of contract for work or other contract;

3. The agricultural land owned and operated by a juridical person or other association with the object of engaging in cultivation whose cultivation is not reasonable;

4. The tenant-farmer land owned by juridical person or other association.

5. The agricultural land which a person who may cultivate on the ground of ownership or other title is not using for cultivation at present;

6. Except lands mentioned in any of items mentioned above the agricultural land which the owner thereof has proposed to the Agricultural Land Commission of a City, Town or Village to be purchased by the government.

Art. 4 In applying the provisions of the preceding Article, the agricultural lands owned by the head of the family or the

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family member of an owner of an agricultural land who lives in the same house or by the head of the family or the family member of an owner who does not live in the same house by the special reason mentioned in the Article 2, para. 3, within the limits of a City, Town or Village in which the permanent residence of the said owner is situated, shall be deemed to be owned by the owner of the said agricultural land.

In applying the provisions of par. 1 of the preceding Article the owner of an agricultural land whose permanent residence is not situated within the limits of a City, Town or Village where his agricultural land is located, by the reason mentioned in Article 2, par. 3 shall be deemed to be a person whose permanent residence is situated within the limit of a City, Town or Village concerned.

Art. 5 The agricultural land mentioned below shall not be subject to the purchase of the government which is to be done in accordance with the provisions of Article 3;

1. The agricultural land which the government or public corporation uses for the public or for official business;

2. The agricultural land owned by the Metropolis, Hokkaido, a Special Prefecture or, Prefecture, a City, Town or Village, the Agricultural Association of the Metropolis, Hokkaido, a Special Prefecture, or Prefecture, the Agricultural Association of a City, Town or Village, the Agricultural Practice Association, the Agricultural Land Development Corporation or other associations as specified by order which shall be used as the object for the establishment of owner-farmer or for common cultivation;

3. The agricultural land which is used as the object of experiment and research or guidance of agriculture, and which is designated by the prefectural governor;

4. The agricultural land which is situated in the area of the land within which adjustment of town-lots is effected under Art. 12, par. 1 of the City Planning Law or of the land mentioned in Art. 16 par. 1 of that Law and which is situated within an area as designated by the prefectural governor;

5. The agricultural land which is deemed suitable to be used for the altered object in the near future and which is designated by the Agricultural Land Commission of a City, Town or Village with the approval of the Agricultural Land Commission of the Metropolis, Hokkaido, a Special Prefecture or a Prefecture;

6. In cases where, because an owner-farmer cannot engage in cultivation on his owner-farmer land by reason of illness or by any other cause as specified by order, such land is employed by other person engaging in cultivation on the ground of lease or loan for use, the agricultural land which the Agricultural Land Commission of a City, Town or Village recognizes to be a land to be cultivated in the near future by the owner himself and deems it suitable that it be so cultivated.

7. The agricultural land, the yield of which is very meagre such as the developed land, burnt-field and changed field, or other agricultural land as specified by order which the Agricultural Land Commission of a City, Town or Village deems it unsuitable to be purchased by the government.

Art. 6 In case where the government purchases the land in accordance with the provisions of Art. 3, such purchase follow the plan for the purchase of the agricultural land set up by the agricultural Land Commission of a City, Town or Village.

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The agricultural land to be purchased, the time of purchase and the consideration shall be provided in the plan for the purchase of the agricultural land mentioned in the preceding paragraph.

In case where there is the rental value of the land as fixed under the Land Tax Law, the consideration mentioned in the preceding paragraph shall be determined within the extent of the amount which represents 40 times the said rental value for paddy field and 48 times for upland field (if the prefectural governor has specified the rates in accordance with the provisions of Art. 6-3, par. 1 of the Agricultural Land Adjustment Law, such rate shall apply instead of 40 or 48); in case where there is no rental value as fixed under the Land Tax Law, the Agricultural Land Commission of City, Town or Village, shall determine the amount, with the approval of the prefectural governor, provided, however, that in cases where there exist the special circumstance the Agricultural Land Commission of City, Town or Village shall determine the amount with regard to the said agricultural land with the approval of the prefectural governor.

The Agricultural Land Commission of a City, Town or Village shall set up the plan for the purchase of the agricultural lands with the consideration of the following matters:

1. To give to persons to be owner-farmer the impartial opportunity to purchase the agricultural land;
2. To group the agricultural land cultivated by persons to be owner-farmer and to make the proportion of the paddyfield and the upland field suitable and just in respect of the said agricultural land according to the circumstances of the district concerned.

If the Agricultural Land Commission of a City, Town or Village sets up the plan for the purchase of the agricultural land, public notice thereof shall be given without delay and the document stating the following matters shall be submitted to public inspection at the city office or town or village office for ten days from the day on which public notice has been given.

1. Name and permanent residence of the owner of the agricultural land to be purchased;
2. The location, lot number, class (in cases where the class entered in the land register differs from its actual condition the class as it appears in the land register as well as the class according to its actual condition; the term when hereinafter referred to shall be understood in the same sense) and size of the land to be purchased;
3. Consideration;
4. Time of purchase.

Art. 7 If any person who is entitled to ownership with regard to the agricultural land provided in the plan for the purchase of the agricultural land mentioned in the preceding Article is not satisfied with the plan, he may make a complaint to the Agricultural Land Commission of a City, Town or Village, provided however, this shall not apply where the period of time for inspection mentioned in par. 3 of the preceding Article has elapsed.

If the Agricultural Land Commission of a City, Town or Village receives the complaint mentioned in the preceding paragraph, it shall make a determination within twenty days from the

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day on which the period of time for inspection mentioned in par. 3 of the preceding Article has expired.

The applicant who is not satisfied with the determination mentioned in the preceding paragraph may file a petition with the Agricultural Land Commission of the Metropolis, Hokkaido, a Special Prefecture or a Prefecture, provided, however, this shall not apply where ten days have elapsed since the expiration of the period mentioned in the preceding paragraph.

If the Agricultural Land Commission of the Metropolis, Hokkaido a Special Prefecture or a Prefecture receives the petition mentioned in the preceding paragraph, it shall make a ruling within twenty days from the day on which the period of time mentioned in the latter part of the preceding paragraph has expired.

Art. 8 If no complaint mentioned in par. 1 of the preceding Article has been made against the plan for the purchase of an agricultural land mentioned in Art. 6, within the period mentioned in paragraph 5 of the same article or, though such complaints have been made, the determination are made to all of them in accordance with the provisions of par. 2 of the said Article and any petition has not been filed within the period mentioned in the latter part of par. 3 of the said Article or though the petition has been filed, the rulings are made to all of them in accordance with the provisions of par. 4 of that Article, the Agricultural Land Commission of a City, Town or Village shall obtain without delay the approval of the Agricultural Land Commission of the Metropolis, Hokkaido, a Special Prefecture or a Prefecture relating to such plan for the purchase of the agricultural land.

Art. 9 The purchase mentioned in Art. 3 shall be effected by means of the delivery of the writ of purchase by the prefectural governor to the owner of the said agricultural land in compliance with the plan for the purchase of an agricultural land which has been approved in accordance with the provisions of the preceding Article, provided, however, that in cases where the owner of the said agricultural land is unknown or the writ cannot be delivered by other cause, the public notice of the matter mentioned in each item of par. 2 may be given in substitution for the delivery of writ in accordance with the provisions of order.

The writ shall contain the following matters:

1. Matters mentioned in each item of Art. 6 par. 5;
2. Method and time for payment of consideration;
3. Other necessary matters.

In cases where the prefectural governor delivers the writ or gives a public notice in accordance with the provisions of the latter part of par. 1, he shall notify to that effect without delay to a person having the preferential right, pledge or hypothec in the agricultural land which is the object of purchase at the time of the delivery of the writ or the public notice, provided, however, that in cases where a person having the preferential right, pledge or hypothec is unknown or the notification cannot be made by other cause, the public notice may be made in substitution for the notification in accordance with the provisions of order.

Art. 10. In applying the provisions of Arts. 5 to 6 inclusive and the preceding Article, the area of an agricultural land shall be the area thereof which is registered on the land register; provided, however, that in case the Agricultural Land

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Commission of a City, Town or Village deems it very unreasonable and fixes the other area in respect of such land, such area shall be depended upon with regard to the said agricultural land.

Art. 11 The procedures taken or other acts done in accordance with the provisions of Arts. 3 to 9 inclusive shall have effect as against the assignees of the owner of the agricultural land to be purchased or of the person having the preferential right, pledge or hypothec in such land in accordance with the provisions of Article 3.

Art. 12 If the prefectural governor has taken the procedure mentioned in Art. 9 the government shall acquire the ownership of the said agricultural land and the rights in such agricultural land shall be extinct at the time of purchase stated on the writ or noticed publicly in accordance with the provisions of the latter part of par. 1, of the said Articles.

In cases where the leases, loan for use, emphyteusis, superficies or servitudes exist at the time of acquisition in the agricultural land acquired by the government in accordance with the provisions of the preceding paragraph, it shall be deemed that those rights be created on the same conditions as heretofore for the persons who are entitled to such right at the time of acquisition, provided, however, that the period during which these rights subsist shall be the remaining period of the previous rights.

In cases mentioned in the preceding paragraph, if the preferential right, pledge, or hypothec exists on the previous rights the said preferential right, pledge, hypothec shall be deemed to continue on the rights which have been created in accordance with the preceding paragraph.

Art. 13 In order to purchase the agricultural land in accordance with the provisions of Art. 3, the government shall pay the consideration thereof to a person who owns the said agricultural land at the time of purchase, provided, however, that in cases where the preferential right, pledge or hypothec exists in the said agricultural land the consideration thereof shall be deposited if the person who has the said right requests or the said person is unknown.

A person having the preferential right, pledge or hypothec in the said agricultural land may enforce his right against the consideration deposited in accordance with the provisions of the preceding paragraph.

The government shall give subsidy to the owner of the agricultural land to be purchased in accordance with the provisions of Art. 3 according to the size of the land (if the said area exceeds the size prescribed in accordance with the provisions of Article 3, par. 1 item 3, par. 2 and par. 3, the subsidy shall be limited to that extent).

The amount of the said subsidy shall be determined by the competent Minister, making 220 Yen per tan-bu in the case of paddy field and 130 Yen per tan-bu in the case of upland field as standard and taking the yield, location, and other conditions of the said land into consideration.

Art. 14. A person, who is not satisfied with the consideration of the agricultural land purchased in accordance with the provisions of Art. 3 may bring an action in an ordinary court, provided, however, that this shall not apply where one month has elapsed from the day on which the writ was delivered or the public notice mentioned in the latter part of par. 1 of Art. 9 was given.

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Art. 15 If, in cases where a person who is to be the owner-farmer of the agricultural land purchased in accordance with the provisions of Art. 3 or a person having ownership or other right in such an agricultural land has made application to the government to buy the agricultural establishments, land or building mentioned below and the Agricultural Land Commission of a City, Town or Village recognizes such application to be reasonable the government shall purchase it.

1. The agricultural establishments necessary for the use of the said agricultural land to be purchased in accordance with the provisions of Art. 3.

2. The pasture in which a person who is to be owner-farmer of the agricultural land purchased in accordance with the provisions of Art. 3 possesses the right of lease, loan for use or emphyteusis, the building lot in which such person is entitled to the right of lease, or of loan for use or superficies or the building in which he is entitled to lease.

The provisions of Art. 6, paras. 1, 2 and 5 and Arts. 7 to 12 inclusive. Article 13, paras. 1 and 2 and the preceding Articles shall apply mutatis mutandis to cases mentioned in the preceding paragraph.

The consideration mentioned in Art. 6, par. 2 which shall be applied mutatis mutandis to the preceding paragraph shall be determined on the basis of current price.

The consideration mentioned in the preceding paragraph shall be, in respect with meadow, determined in accordance with provision of ordinance, taking the current price of similar land in vicinity into account, and, in respect with other than meadow, the said consideration shall be determined taking the current price thereof into account.

Art. 16 The government may, in accordance with the provisions of order, sell the agricultural land purchased in accordance with the provisions of Art. 3 and other agricultural land owned by the government as specified by order to the tenant-farmer engaging in cultivation at the time of purchase or other person as specified by order who is likely to devote himself to cultivation as owner-farmer.

If deemed specially necessary, the government may sell the agricultural land purchased in accordance with the provisions of Article 3 to the Agricultural Association of a City, Town or Village or other association as specified by order which is undertaking the work of the establishment of owner-farmer.

Art. 17 A person mentioned in the preceding Article who intends to buy the agricultural land prescribed in the same article shall make application thereof to the Agricultural Land Commission of City, Town or Village.

Art. 18 In order to effect the sale mentioned in Art. 16 the government shall follow the plan for the sale of the agricultural land set up by the Agricultural Land Commission of a City, Town or Village.

The agricultural land to be sold, the other party, time and consideration of the sale shall be provided in the plan for the sale of the agricultural land.

The other party of the sale mentioned in the preceding paragraph shall be a person who has made application thereof in accordance with the provisions of the preceding Article.

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If the Agricultural Land Commission of City, Town or Village sets up the plan for selling the agricultural land, public notice thereof shall be given without delay and the document stating the following matters shall be submitted to public inspection at the city office or town or village office for ten days from the day on which public notice has been given.

1. Name and permanent residence of the other party of the sale.
2. The location, lot number, class and sale of the agricultural land to be sold.
3. Consideration.
4. Time of sale.

The provisions of Art. 8 shall apply mutatis mutandis to the plan of the sale of the agricultural land.

Art. 19 If a person who has made application in accordance with the provisions of Art. 17 is not satisfied with the plan mentioned in the preceding Article, he may make complaint to the Agricultural Land Commission of City, Town or Village, provided, however, this shall not apply where the period for inspection mentioned in par. 4 of the said Article has expired.

The provision of Art. 7 pars. 2 to 4 inclusive shall apply mutatis mutandis to the cases mentioned in the preceding paragraph. In this case "par. 5 of the preceding Article" in Art. 7 par. 2 shall read "par. 4 of Article 18".

Art. 20 The sale mentioned in Art. 16 shall be effected by means of the delivery of written notice of sale by the prefectural governor to the other party of the sale in compliance with the plan which has been approved in accordance with the provisions of Art. 8 which shall be applied mutatis mutandis under Art. 18, par. 5.

The written notice shall contain the following matters:

1. Matters mentioned in Art. 18, par. 4.
2. Method and time for payment of consideration.
3. Other necessary matters.

Art. 21. If the written notice mentioned in the preceding Article has been delivered, the other party of the sale stated in such written notice shall acquire the ownership of the said agricultural land at time of sale stated in the written notice.

The provisions of Art. 14 shall be applied mutatis mutandis to the consideration of the agricultural land which has been acquired in accordance with the provisions of the preceding paragraph.

Art. 22 In cases where the right which has been created in accordance with the provisions of Art. 12, par. 2 exists in the agricultural land sold in accordance with the provisions of Art. 16 if a person having such right is not the purchaser of the said agricultural land, the said right shall be extinct at the time of the sale of the said agricultural land. (in case of the servitudes, this shall apply to only those servitudes which the Agricultural Land Commission of a City, Town or Village recognizes to be prejudicial to the cultivation of the said agricultural land).

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The government shall make compensation for the loss accrued from the extinction of the right to the person who has the right which shall be extinct in accordance with the provisions of the preceding paragraph, provided, however, that this shall not be applied to the case where he has acquired the right which has become extinct in accordance with the provisions of Art. 12, par. 1 after the public notice mentioned in Art. 6, par. 5 has been given.

The loss to be compensated in accordance with the provisions of the preceding paragraph shall be the loss arisen normally from the extinction of the right mentioned in paragraph 1.

The Agricultural Land Commission of a City, Town or Village shall determine the amount of compensation mentioned in paragraph 2 with the approval of the prefectural governor.

If the Agricultural Land Commission of a City, Town or Village determines the amount of compensation mentioned in the preceding paragraph, it shall notify such amount without delay to a person to whom the compensation is to be made in accordance with the provisions of par. 2 of this Article.

A person, who is not satisfied with the decision of the amount of compensation mentioned in par. 4, may bring an action in an ordinary court, provided, however, this shall not apply where twenty days have elapsed from the day on which the notification mentioned in the preceding paragraph was given.

The provisions of Art. 13, pars. 1 and 2 shall apply mutatis mutandis to cases where the preferential right, pledge, hypothec exists on the right which has become extinct in accordance with the provisions of par. 1 of this Article.

Art. 23 In cases where the government sells the agricultural land in accordance with the provisions of Art. 16, if there is special necessity to effect the reasonable establishment of owner-farmer, the Agricultural Land Commission of a City, Town or Village may indicate the necessary matters to the owner of the tenant-farmer land in respect of the exchange of the said agricultural land for the tenant-farmer land purchased by the government bearing a close resemblance to the said land in its class, area and rank, etc.

The indication mentioned in the preceding paragraph shall be effected to the owner of the said tenant-farmer land, determining the location, lot number, class and area of the agricultural lands acquired by him and the government of the result of the said exchange.

A person who has been indicated in accordance with the provisions of par. 1 shall negotiate with the Agricultural Land Commission of a City, Town or Village with regard to such exchange within ten days from the day on which indication was given.

If no agreement has been arrived at or no negotiation can be made in cases mentioned in the preceding paragraph the Agricultural Land Commission of a City, Town or Village shall apply for a ruling by the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture and Prefecture.

If the ruling is made in accordance with the provision of the preceding paragraph, it shall be deemed that the contract of exchange is made according to the provisions of such ruling.

Art. 24 The exchange mentioned in the preceding Article shall have the effect of transferring ownership on the day fixed in the

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negotiation mentioned in par. 3 of the said Article or in the ruling mentioned in par. 4 of that Article. The preferential right, pledge or hypothec which has existed in the said tenant farmer land at the time of transfer of ownership mentioned in the preceding Article shall exist in the agricultural land which the owner of the said tenant-farmer land has acquired as a result of exchange.

Art. 25 In cases where the government sells the agricultural land in accordance with the provisions of Art. 16, if there is special necessity to effect the reasonable establishment of owner-farmer, the Agricultural Land Commission of a City, Town or Village may indicate the necessary matters to a person having lease or emphyteusis in the agricultural land to be sold by the government and a person having lease or emphyteusis in the agricultural land bearing a close resemblance to the said land in its class, area, rank, etc. which has not been purchased by the government, in respect of the exchange of lease or emphyteusis owned by them.

The indication mentioned in the preceding paragraph shall be effected, by determining the location, lot number, class and size of the agricultural land in which the lease or emphyteusis to be transferred as a result of the exchange exists.

The transfer of the lease or emphyteusis in the exchange mentioned in the par. 1 may be effected notwithstanding the provisions of the proviso of Art. 272 and Art. 612 of the Civil Code.

In cases where the Agricultural Land Commission of a City, Town or Village has made the indication mentioned in par. 1, it shall notify to that effect without delay to the owner of the agricultural land and the lessor who is not the owner of the said agricultural land to which such indication has been made.

In case a person who has been notified in accordance with the provisions of the preceding paragraph is not satisfied with the indication mentioned in par. 1, such person may make complaint to the Agricultural Land Commission of a City, Town or Village; provided, however, this shall not apply where ten days have elapsed from the day on which the notification mentioned in the preceding paragraph was given.

The provisions of Art. 23, pars. 3 to 5 inclusive and the preceding Article shall apply mutatis mutandis to the exchange mentioned in par. 1; provided, however, that in the case negotiate with the Agricultural Land Commission of a City, Town or Village in Art. 23, par. 3 shall read "negotiate" and in par. 4 of the same Article "the Agricultural Land Commission of a City, Town or Village a ruling in the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture and Prefecture" shall read "a person who has been indicated in accordance with the provisions of par. 1 a ruling by the Agricultural Land Commission of a City, Town or Village."

Art. 26 The consideration of the Agricultural Land which has been sold in accordance with the provision of Art. 16 shall be paid by the method of annual instalment with interest of 3.2% per year within the period of thirty years (including the period which it is left unredemmed); provided, however, that in case a person who has purchased the said Agricultural Land applies for, the whole or a part of its consideration may be paid at a time.

Art. 27 In case the total amount of such annual instalment of the consideration of the Agricultural Land which has been sold in accordance with the provisions of Art. 16 if the payment of the consideration were to be made by such method as determined by order and taxes and other financial obligation on such land exceeds the fixed

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ratio of the amount of its ordinary field, the Government shall reduce or exempt the annual instalment, or postpone the payment thereof or take such other measure as may be necessary to lighten the charge on the owners respectively in regard to the payment of consideration.

The fixed ratio referred in the preceding paragraph shall be determined by the Central Agricultural Land Commission; provided however, that it shall not exceed one-third.

In addition to the matter provided for in the preceding paragraph such matters as may be necessary for the extension of the provisions of par. 1 shall be provided by order.

Art. 28 If a person to whom the Agricultural Land has been sold in accordance with the provision of Art. 16 or his successor intends to give up to cultivate himself on the said Agricultural Ground the Government shall, in accordance with the provisions of order propose to such person that the said Agricultural Land shall be purchased by the Government.

In case such proposal is made by the Government as contemplated in the preceding paragraph, the transfer of the said Agricultural Land shall be effected at the time of such proposal by such terms as determined in the said proposal. The provisions of Art. 6, Par. 3 shall apply mutatis mutandis to the consideration of the said Agricultural Land in this case.

Art. 29 In case a person as specified by order to whom the Agricultural Land has been sold in accordance with the provisions of Art. 16 intends to purchase such Agricultural equipments, lands or buildings as were purchased by the government in accordance with the provisions of Art. 15 he shall apply to that effect to the Agricultural Land Commission of a City, Town or Village.

The provisions of Art. 16 and Arts. 18 to 22 inclusive, Art. 26 and the preceding Article shall apply mutatis mutandis to the transfer of the Agricultural establishments, lands, or building which has been purchased by the Government in accordance with the provisions of Art. 15. In this case, "the preceding Article" in Art. 18, par. 3 and "Article 17" in Art. 19 par. 1 shall read "Art. 29, par.1".

Art. 30 If it is deemed necessary for establishing the owner-farmer, the government may purchase the following:

1. Lands other than agricultural land which are to be cultivated into agricultural land.
2. Rights other than ownership or the right of security regarding to the land owned by the government which is to be cultivated into agricultural land.
3. Lands adjacent to the land mentioned in items 1 or 2 which are deemed suitable to be cultivated, together with the said land.
4. Trees, buildings or other structures on the land mentioned in item 12.
5. Right of fishery.
6. Right concerning the use of water.
7. Lands, building or other structures necessary for the use of the land mentioned in the items 1 or 2 after the said land has

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been cultivated into agricultural land.

The government may use the things mentioned in items 6 and 7 of the preceding paragraph.

Art. 31 In order to purchase or use such things as prescribed in the preceding Article, the government shall follow the plan for the purchase of uncultivated land which has been set up by the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture in accordance with the provisions of order.

In the plan for the purchase of uncultivated land mentioned in the preceding paragraph, there shall be determined the land, right, tree, building or other structure to be purchased or used, the time of purchase or the time and the period of use and the consideration.

In case where the consideration in the preceding paragraph is to be determined, the provisions of Article 6, par. 3 shall apply mutatis mutandis in respect to the agricultural land, and in respect to land other than agricultural land, the current price thereof shall be the standard. In this case "the Agricultural Land Commission of City, Town or Village" in the said paragraph shall read "the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefectures."

In cases where the Agricultural Land Commission of the Metropolis, Hokkaido, a Special Prefecture or Prefecture sets up the plan for the purchase of uncultivated land, the public notification to that effect shall be made without delay and the document stating the following matters shall be subject to public inspection for fourteen days from the date of such notification, at the city office or the town or village office of the locality in which the land or other things to be purchased or used in accordance with the provisions of the preceding Article is situated.

1. Name and permanent residence of the owner of lands, rights trees or structures to be purchased or used.
2. Location, lot number, class and size of the land; kind in the case of right; kind, quantity and location in the case of trees; or kind and location in the case of the structure which are respectively to be purchased or used.
3. Consideration.
4. Time of the purchase or time and period of the use.

The provisions of Articles 7 and 8 shall apply mutatis mutandis to the plan for the purchase of uncultivated land. In this case "The Agricultural Land Commission of a City, Town or Village" shall read "the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture" and "the Agricultural Land Commission of the Metropolis, Special Prefecture or Prefecture" shall read "the prefectural governor," and "par. 5 of the preceding Article" in Art. 7, pars. 1 and 2 and in Art. 8 shall read "par. 4 of Art. 31" and "approval" (shonin) in Art. 8 shall read "a sanction (Ninka).

Art. 32 If it is deemed necessary to set up the plan for the purchase of uncultivated land in accordance with the provision of the preceding Article, the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture may cause the member of the commission or person engaging in the affairs thereof enter into, survey or inspect the land owned by other persons or transfer or removal the things which are the obstacles to such

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survey or inspection, but the damage sustained as the result of such measure shall be compensated.

In cases where there exists necessity for the purchase or use by the government as prescribed in Article 30, the provisions of the preceding paragraph shall apply mutatis mutandis. In this case "the member of commissioner or a person engaging in the affairs thereof" shall read "the said officials."

Art. 33 The government may cause the owner or possessor of the article which exists in the land or structure purchased or used in accordance with the provisions of Art. 30 take away the said article.

In the case mentioned in the preceding paragraph, if the said article may not be used for the purpose hitherto used as the result of its being taken away, the owner of the said article may demand the government to purchase the said article in accordance with the provisions of order.

The prefectural governor shall determine the consideration of purchase as prescribed in the preceding paragraph on the base of the current price.

The provisions of Arts. 9, 11, 12, par. 1, Art. 13, pars. 1 and 2, Art. 14 shall apply mutatis mutandis to the purchase as prescribed in par. 2. In these cases "each item of Art. 6, par. 5" in item 1 Art. 9, par. 2 shall read "each item of Art. 31, par. 4."

Art. 34 The provisions of Arts. 9 to 11 inclusive, Art. 12, par. 1, Art. 13, pars. 1 and 2 and Art. 14 shall apply mutatis mutandis to the purchase or use as prescribed in Article 30. In this case "each item of Art. 6, par. 5" in item 1 of Art. 9 par. 2 shall read "each item of Art. 31, par. 4" and "the Agricultural Land Commissioner of City, Town or Village" in Art. 10 shall read "the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture," except in the case where the said purchase is in accordance with provisions Art. 38.

Art. 35 In cases where the government uses the right, land, trees or structure in accordance with the provisions of Art. 30, par. 2, the government shall acquire the right of use of the said right, land, tree or structure at the time of use as stated on the writ mentioned in Art. 9, par. 1 which shall be applied mutatis mutandis under the preceding Article or at the time of use as notified publicly in accordance with the proviso to the said paragraph, and the exercise of the right over the said right, land, tree, or structure shall be suspended during the period of use; provided, however, that one which shall not be an obstacle to the use shall be treated otherwise.

Art. 36 In cases where the use of right, land, tree or structure as prescribed in Art. 30, par. 2 is extended over more than three years or in case it has become very difficult to use the said right, land, tree or structure for the purpose hitherto used as the result of its use, a person having the said right or owner of the said land, tree or structure may, in accordance with the provision of order, demand the Government to purchase the said right, land, tree or structure.

The consideration for the purchase mentioned in the preceding paragraph shall be determined by the prefectural governor. To the case mentioned in the first paragraph, the first part of the provisions of Art. 31, par. 3 and Art. 33 par. 4 shall apply mutatis mutandis. "The city, town or village commission, with approval of the prefectural governor" in Art. 6, par. 3 which shall be applied mutatis mutandis in this case shall read "prefectural governor".

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Art. 37 If it is deemed specially necessary, in cases where the government purchase the land in accordance with the provisions of Art. 30, the government may purchase or use other land (including the trees on such land) necessary in order to sell or lease as a substitute land to a person having ownership, lease, loan for use, emphyteusis, superficies or iriaiken in the said land at the time of such purchase.

The provisions of Article 31 to the preceding Article inclusive shall apply mutatis mutandis to cases mentioned in the preceding paragraph.

Art. 38 If, in cases where the government purchase the land mentioned in item 1 of Art. 30, par. 1 in accordance with the provisions of Art. 30, par. 1, the area of the said land does not exceed the area fixed by the competent Minister, the government may make purchase as prescribed in Paragraph 1 of Article 30, according to the plan for the purchase of uncultivated land set up by the Agricultural Land Commission of City, Town or Village irrespective of the provisions of Article 31, par. 1.

The provisions of Arts. 7 and 8, Art. 31, par. 2, the former part of par. 3, and par. 4 of Article 31 respectively and Art. 32 par. 1, shall apply mutatis mutandis to cases mentioned in the preceding paragraph. In this case "par. 5 of the preceding Article" in Art. 7 par. 1 and 2 and "par. 5 of the same Article" in Art. 8 shall read "par. 4 of Art. 31" and "the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture, Prefecture" in Art. 31, par. 4 and Art. 32 par. 1 shall read "the Agricultural Land Commission of a City, Town or Village."

Art. 39 The government shall make compensation for the damages sustained by the act mentioned in Article 32, par. 1 (including cases which shall be applied mutatis mutandis under par. 2 of the same Article, par. 2 of Article 37 and par. 2 of the preceding Article), by the act of removal mentioned in Article 33, par. 1 (including cases which shall be applied mutatis mutandis under par. 2 of Article 37) by the extinction of right by virtue of the provisions of Article 12, par. 1 which shall be applied mutatis mutandis under Article 33, par. 4 (including the cases which shall be applied mutatis mutandis under Article 36, par. 2) or Article 34 (including cases which shall be applied mutatis mutandis under par. 2 of Article 37) or by the suspension of exercise of right by virtue of the provisions of Article 35 (including cases which shall be applied mutatis mutandis under par. 2 of Article 37).

Except the cases of compensation to the act as mentioned in Article 32, par. 1 (including the cases which shall be applied mutatis mutandis under par. 2 of the same Article, par. 2 of Article 37, par. 2 of the preceding Article) a person who is entitled to compensation by virtue of the provisions of the preceding paragraph, shall be a person who has the ownership or rights other than right of security in respect of the said land, right, tree, structure or article in the cases of the purchase or use as prescribed in Article 30 or Article 37, or of the purchase as presented in Article 33, par. 2 or Article 36, par. 1 and be a person who has the right other than right of security in respect of the case of removal by virtue of the provisions of Article 33, par. 1 (including the cases which shall be applied mutatis mutandis under par. 2 of Article 37); provided, however, that this shall not apply to such person who has acquired such right after the public notification as prescribed in Article 31, par. 4 (including the case which shall be applied mutatis mutandis under Art. 37, par. 2 and par. 2 of the preceding paragraph) was made.

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The provisions of Article 22, pars. 3 to 7 inclusive shall apply mutatis mutandis to the amount of compensation mentioned in par. 13; in this case "the Agricultural Land Commission of a City, Town or Village" shall read "the prefectural governor" in respect to the compensation of the act as prescribed in Article 32, par. 1 which shall be applied mutatis mutandis under par. 2 of the same Article (including the cases which shall be applied mutatis mutandis under par. 2 of Article 37) and of the removal as prescribed in Article 33, par. 1 (including the cases which shall be applied mutatis mutandis under par. 2 of Article 37) or of the purchase by virtue of the provisions of Article 33, par. 2 or Article 36, par. 1, (including the case which shall be applied mutatis mutandis under Article 37, par. 1); shall read "the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture in respect to the other compensation, except the compensation of purchase as prescribed in the preceding Article.

Art. 40 The provisions of restriction or prohibition as specified by order under the other laws and ordinances shall not apply to the development of the land purchased by the government in accordance with the provisions of Article 30 or of the land mentioned in item 2 of par. 1 of the same Article.

Art. 41 The government may sell or lease to a person who is likely to devote himself to cultivation as a owner farmer or other person as specified by order, the land, (including the land mentioned in item 2 of Article 30, par. 1) right, tree or structure purchased in accordance with the provisions of Article 30, par. 1 or the right, land, tree, or structure used in accordance with the provisions of Art. 30, par. 2.

The provisions of Arts. 17, 18, 20, 21 and 26 shall apply mutatis mutandis to the transfer or lease as prescribed in the preceding paragraph. In this case, in respect to the transfer or lease of land, right, tree or structure purchased or used according to the plan for the purchase of uncultivated land prescribed in Article 31, "the Agricultural Land Commission of a City, Town or Village" in Art. 17 and Art. 18, Par. 1 and 4 and Art. 8 which shall be applied mutatis mutandis under Article 18, par. 5 shall read "the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture" and "the approval of the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture" in Art. 8 which shall be applied mutatis mutandis under Article 18, par. 5 shall read the "Sanction of the prefectural governor."

In cases where the land mentioned in items 1 to 3 inclusive of Art. 30, par. 1 is sold in accordance with the provisions of par. 1 the provisions of Arts. 27 and 28 shall apply mutatis mutandis in addition to the provisions which shall be applied under preceding paragraph.

Art. 42 After the public notification as mentioned in Art. 6, par. 5 (including the cases which shall be applied mutatis mutandis under Art. 15, par. 2) or Art. 31, par. 4 (including the cases which shall be applied mutatis mutandis under Art. 37, par. 2) a person who has the right relating to the land, agricultural establishments, structures or trees provided in the said plan of purchase shall not, except the case where there exists no cause of apprehensions that the purchase or use might be prejudiced, alter the appearance or quality of such land or destroy or remove any of the said agricultural establishments, structures and trees without obtaining the permission of the prefectural governor.

Art. 43 The consideration of the land, agricultural establishment, structure, right, tree, or other property purchased or used in accordance with any of the provisions of Arts.

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3, 15, 30, 33, par. 2 Arts. 36, and 37, the subsidy as prescribed in Art. 13 par. 3 and the compensation as prescribed in any of Art. 22, par. 2 and Art. 39 par. 1 may be paid by means of the bond to be redeemed within thirty years.

In order to make the payment thereof in such manner as is prescribed in the preceding paragraph, the government may issue the bond to the extent of necessary amount.

The Minister of Finance shall determine the delivery price of the bond to be given in accordance with the preceding two paragraphs, taking the current-price thereof in consideration.

Such matters as may be necessary in respect to the bond mentioned in par. 2 shall be provided by orders.

Art. 44 In the cases of purchase as prescribed in any of Arts. 3, 15, 30, par. 1, 33, par. 2, Arts. 36 and 37; of transfer of lease as prescribed in Arts. 16 (including the cases which shall be applied mutatis mutandis under Art. 29, par. 2) or Article 41; of exchange as prescribed in Arts. 23 or 25; or of purchase as prescribed in Art. 28, par. 1 (including cases which shall be applied mutatis mutandis under Art. 41, par. 3) the registration thereof shall be effected in accordance with the provisions of an Imperial Ordinance.

Art. 45 If it is deemed necessary, the competent Minister or the prefectural governor may demand necessary reports relevant to an agricultural land, or other land or property.

Art. 46 A part of the jurisdictional powers of the competent Minister concerning the administration of the land, right, tree, structure or other property purchased or used by the government in accordance with the provisions of any of Arts. 3, 15, 30, 33, par. 2, 36 and 37 may be exercised by the headman of a City, Town or Village, the Agricultural Land Commission of a City, Town or Village or such other person or organization as specified by order, in accordance with the provision of order.

Art. 47 If it is deemed specially necessary for the establishment of owner-farmers, the competent Minister or the prefectural governor may cause the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture to make disposition of matters which come within the limit of the jurisdictional powers of the Agricultural Land Commission of a City Town or Village under the present Law.

In the cases mentioned in the preceding paragraph, the prefectural governor shall, in respect to matters which come within the jurisdiction of the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture in accordance with the provisions of the same paragraph, make the disposition of matters which come under the present Law, within the limit of the jurisdictional powers of the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture and the complaint to be made to, or petition to be filed with, the Agricultural Land Commission of a City, Town or Village or of Metropolis, Hokkaido, Special Prefecture or Prefecture under this Law shall be made in the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture or prefectural governor respectively.

If it is deemed specially necessary for the establishment of owner-farmer, the competent Minister may cause the prefectural governor the Central Agricultural Land Commission, to make disposition of matters which come, under the present Law within the

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limit of the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture.

In cases mentioned in the preceding paragraph the competent Minister shall, in respect of matters which come within the jurisdiction of the prefectural governor or the Central Agricultural Land Commission in accordance with the provision of the said paragraph, make disposition of matters, which come, under the present Law, within the limit of the jurisdictional powers of the prefectural governor, and the complaint to be made to the Agricultural Land Commission of the Metropolis, Hokkaido, Special Prefecture or Prefecture shall be made to the prefectural governor the Central Agricultural Commission and the petition to be filed with the prefectural governor shall be filed with the competent Minister.

Art. 48 Provisions concerning the Agricultural Land Commission of a City, Town or Village under this Law shall apply to the Divisional Agricultural Land Commission in a city, town or village where such divisional Agricultural Land Commission exists. In this case, "the administrative limit of a city, town or village in Article 3 par. 1, shall read "the administrative extent of the Divisional Agricultural Land Commission" and in item 4 of the same paragraph "administrative limit of a city, town or village adjacent thereto or other area within the administrative extent of a city, town or village adjacent thereto or other area within the administrative extent of the Divisional Agricultural Land Commission, adjacent to the said area."

Art. 49 In a city, town or village where the city, town or village association who deals jointly the whole of the work of the towns or villages or the task of the offices, exists, the provisions concerning town or village of the headman thereof under the law shall apply to the said association of the manager thereof and in a locality where the Town and Village Law is not applied, the said provisions shall be applied to those persons corresponding to those referred above.

In "ward" (Ku) of Tokyo Metropolis, Kyoto City, Osaka City, and Yokohama City, Nagoya City, and Kobe City, the provisions concerning the city or mayor shall be applied to ward or to the chief of the ward as designated by the prefectural governor.

Art. 50 Any person who falls under any of the categories mentioned in the following items shall be liable to imprisonment with hard labor not exceeding six months or a fine not exceeding five hundred yen.

1. Any person who refuses, obstructs or evades a survey, inspection, transfer or removal by an official in charge as prescribed in Art. 32, par. 2 which is applicable with the necessary modifications under Art. 32, par. 2, (including the cases which shall be applied mutatis mutandis under Art. 37, par. 2).

2. Any person who contravenes the provisions of Art. 42.

3. Any person who, in violation of the provisions of Art. 4 fails to make a report or makes a false report.

Art. 51 Where a representative of a juridical person, or an agent, an employee of juridical persons or a person or any other person being employed by such juridical persons or a person acts in violation of the provisions of item 2 or item 3 of the preceding Article with respect to the business of the said juridical person or said person, such juridical person or person shall, in

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addition to the punishment which shall be inflicted on the person who acts, be liable to a fine as provided for in the same Article.

Supplementary Provisions:

The date of the enforcement of the present Law shall be fixed by an Imperial Ordinance.

With regard to the purchase of agricultural land as prescribed in Art. 3, par. 1, in case the Agricultural Land Commission of a City, Town or Village deems it suitable, the plan for the purchase of the agricultural land may, as prescribed in Article 6, be set up according to the facts as exists on November 23, 1945.

FEC-RESTRICTEDENCLOSURE "B"PROPOSED AMENDMENTS TO THE LAW CONCERNING THE
SPECIAL MEASURE FOR THE ESTABLISHMENT OF OWNER-FARMERS

A part of the Law Concerning the Special Measure for the Establishment of Owner-Farmers shall be amended as follows:

"Prefectural governor" shall read "governor of a Metropolis, Hokkaido, a Special Prefecture or Prefecture", "Imperial Ordinance" read "Cabinet order".

In Art. 2, Para. 3 "a head of the family or a family member" shall read "the relatives or their spouse".

In Art. 3, a following paragraph shall be added.

Only the cultivation which falls under any of the following cases shall be deemed reasonable in the sense of the provisions of item 1 or 3 of the preceding paragraph only when:

1. In case of the owner-farmer, the supply of labor available from among the members of the immediate farm household is sufficient to cultivate the land in an efficient manner and or subdivision of the land into smaller units of cultivation cannot be accomplished without decreasing agricultural production:

a. In case of a juridical person or other association, subdivision of the land into smaller units of cultivation cannot be accomplished without decreasing agricultural production, or when cultivation is indispensable for the performance of the principal objects of the juridical person or other organization.

In Art. 4, Para. 1 "the head of the family or the family member" shall read "the relatives or their spouse".

In Art. 5, item 2 "the Agricultural Association of the Metropolis, Hokkaido, a Special Prefecture or Prefecture, the Agricultural Association of a City, Town or Village, the Agricultural Practice Association, the Agricultural Land Development Corporation" shall be deleted, in item 3 of the same "or guidance of agriculture" shall read "or guidance of agriculture or the object of something chiefly outside cultivation as specified by order", in item 4 of the same Article "and the other proportion land as specified by the Minister in charge" shall be added next to "adjustment of town-lots is effected under Art. 12, Para. 1 of the City Planning Law," and in item 5 of the same Article "or which is designated by the Agricultural Land Commission of a Metropolis, Hokkaido, a Special Prefecture or Prefecture," shall be added next to "which is designated by the Agricultural Land Commission of a City, Town or Village with the approval of the Agricultural Land Commission of the Metropolis, Hokkaido, a Special Prefecture or a Prefecture".

Article 5-2

The provisions of item 1 of the preceding Article shall not apply to the agricultural land, on which a Metropolis, Hokkaido, a Special Prefecture or Prefecture acquired the right of lease, loan for use or emphyteusis for the purpose of the local guidance of the agricultural management after the date of November 20, 1946 provided, however, in cases where the owner of the said agricultural land had been the owner-farmer engaging in cultivation on the said agricultural land at the time of the acquisition of those rights, if the sum of the said agricultural land and the other

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owner-farmer land, on which the said owner-farmer is engaging actually in cultivation, not exceeds the area mentioned in item 3 of Para. 1 of Art. 3 in respect of each of Metropolis, Hokkaido, a Special Prefecture or Prefecture (in cases where there are the area in the said limits determined in place of it in accordance with the provisions of Para. 3 of the same Article, this area. hereinafter the same.), all of its sum exceeds the area of each of a Metropolis, Hokkaido, a Special Prefecture or Prefecture, the limits of the said agricultural land exceeding such area shall be by government purchased.

In Art. 6, Para. 3 "Land Tax Law" shall read "Land Book Law".

Article 6-2

In cases where any tenant farmer, who had been engaging in cultivation on the tenant farmer land on the date of November 23, 1945, and who ceased to cultivated after the said day, or who has been cultivating since the said day, on the tenant-farmer land of which the owner on the same date or his address is now different from the same at the said day, or his heir, and or any person, to whom was transferred after the said day the right of lease, loan for use or emphyteusis which the said tenant-farmer had been having on the said tenant-farmer land on the said day, or his heir, appeals for setting up, in accordance with the provisions of the preceding Article, the plan for the purchase of the agricultural land based on the facts as exists on said date as for that land, which the owner of the said tenant-farmer land on the same date had on the said day, to the Agricultural Land Commission of a City, Town or Village, the Agricultural Land Commission of a City, Town or Village shall decide, except the case mentioned in Para. 2, the plan for the purchase of the agricultural land as for that land on the base of status as of November 23, 1945.

The Agricultural Land Commission of a City, Town or Village may not decide the plan for purchase of the agricultural land based on the facts as exist on the said date, in spite of the provisions of the preceding paragraph, in cases where this falls under any of the following cases;

1. the cases where the Agricultural Land Commission of a Metropolis, Hokkaido, a Special Prefecture or Prefecture deems it lawful as well as fair, considering the circumstances between the lessor and tenant-farmer in those day, on which the lease had been terminated or rescinded, or its renewal had been refused, in cases where the said lease had been terminated or rescinded, or its renewal had been refused after November 23, 1945.
2. the cases where the appeal mentioned in the preceding paragraph is considred by the Agricultural Land Commission of a City, Town or Village unfaithful, except the preceding item.
3. the cases where the tenant farmer or his heir mentioned in the preceding paragraph is actually engaging in cultivation on the ground of ownership, lease, loan for use or emphyteusis on the agricultural land, the area of which exceeds the area mentioned in item 3 of Para. 1 of Art. 3 in respect of each of a Metropolis, Hokkaido, a Special Prefecture or Prefecture or the area determined in place of it in accordance with the provisions of Para. 3 of the same Article.
4. the case where the living condition of any person engaging in cultivation after November 23, 1945, who is the owner of the agricultural land on the same date or his successor, becomes more miserable than one of the tenant-farmer, who

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appeals in accordance with the provisions of the preceding paragraph, if the government purchases the land following the plan for the purchase of the agricultural land based on the status as exists on the said date.

Article 6-3

In cases where the Agricultural Land Commission of a City, Town or Village fails to decide the plan for the purchase of the agricultural land owing to the said appeal within two months after the day on which the said Commission received the said appeal, if the applicant appeals, to the Agricultural Land Commission of a Metropolis, Hokkaido, a Special Prefecture or Prefecture, within one month from the day on which its period has expired to cause the Agricultural Land Commission of a City, Town or Village to decide and plan for the purchase of the agricultural land in accordance with the provisions of para. 1 of the preceding Article, the Agricultural Land Commission of a Metropolis, Hokkaido, a Special Prefecture or Prefecture shall indicate to the said Agricultural Land Commission of a City, Town or Village to decide and plan for the purchase of the agricultural land in accordance with the provisions of the same paragraph.

The provisions of Para. 2 of the preceding Article shall apply mutatis mutandis to cases mentioned in the preceding paragraph, in this case, "the Agricultural Land Commission of a City, Town or Village" in item 2 shall read "the Agricultural Land Commission of a Metropolis, Hokkaido, a Special Prefecture or a Prefecture".

Article 6-4

In cases where the preceding two Articles shall be applied, any person who had been engaging in cultivation on the date of November 23, 1945 on the ground of contract for work or other contract, and who ceased to cultivate on the owner-farmer land after the said day, shall be deemed to the tenant farmer and the said owner-farmer land shall be deemed to the tenant-farmer land.

Article 6-5

In cases where any person, engaging in cultivation on the ground of the right of ownership lease, loan for use or emphyteusis or the other rights on the Land, at the time of decision of the plan for the purchase of the agricultural land mentioned in Art. 6 of the Owner-Farmer Establishment and Special Measures Law, or any owner or its address on the said date is different from one of November 23, 1945, the Agricultural Land Commission of a City, Town or Village, if deemed it suitable, may decide the plan for the purchase of the agricultural land even without the appeal mentioned in Para. 1 of Art. 6-2, except the cases which falls under any of items of Para. 2 of the same Article. The agricultural land on the date of November 23, 1945, which is not employed for cultivation at the time of setting up the plan for the purchase of the agricultural land, is the same.

The Agricultural Land Commission of a City, Town or Village shall discuss whether or not to decide the plan for purchase of the agricultural land mentioned in the preceding paragraph in accordance with the provisions of Para. 1 of Article 6-2.

In cases where the Agricultural Land Commission of a City, Town or Village after the result of discussion of the preceding paragraph, does not decide the plan for the purchase of the agricultural land in accordance with the provisions of Para. 1,

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he shall state that reason on the minute book.

In Art. 7, Para. 1 "the preceding Article" shall read "Article 6", in Para. 2 of the same Article "the preceding paragraph" read "Para. 1" and the following paragraph shall be added next to Para. 1 of the same Article.

In cases where the permanent residence of any person having the ownership of the agricultural land mentioned in the provisions of the preceding paragraph situates within the limits of the City, Town or Village in which the said agricultural land exists, also the person engaging in cultivation on the said agricultural land on which the former person has ownership, shall be the same as the said paragraph.

To this case shall be applied mutatis mutandis the provisions of Art. 4, Para. 1.

In Art. 8 "Para. 2 of the same Article" shall read "Para. 3 of the same Article", "Para. 3 of the same Article" read "Para. 4 of the same Article", and "Para. 4 of the same Article" read "Para. 5 of the same Article".

Art. 9, Para. 3 shall be deleted.

In Para. 2 of Art. 12, "except the case mentioned in Art. 12 2", shall be added next to "servitudes exist".

Article 12-2

In cases where the agricultural land acquired by the government in accordance with the provisions of Para. 1 of the preceding Article is, at the time of such acquisition, in possession of the electric enterpriser under the provisions of the Electric Enterprise Law or any person engaging in electric enterprise mentioned in the provisions of Para. 2 of Article 30 of the same Law (hereinafter called only the enterpriser) for the purpose of the use for installation of electric line (excluding supporter, hereinafter in this Article the same.), it shall be deemed that the right of servitude is created at such time of acquisition designating, for the interest of the electric enterpriser, the land, which is in possession of the said electric enterpriser as the dominant land, used for power plant, substation, switching station or structure supporting electric conductor connecting with said electric line, and said agricultural land as the servient land.

In cases where the right of lease, loan for use or superficies is at the time of acquisition is by the electric enterpriser hold on the agricultural land, acquired by the government, in accordance with the provisions of Para. 1 of the preceding Article for the purpose of the use for installation of electric line, it shall be deemed that the right of servitudes is created at the time of acquisition in lieu of such rights, designating, for the interest of the electric enterpriser, the land which is in possession of the said electric switching station or structure supporting electric conductor connecting with said electric line, and said agricultural land as the servient land; provided, however such right of servitude shall remain effective during the remaining period of the effectiveness of the former right.

The right of servitude mentioned in the preceding two paragraphs shall be in the purport that the owner of the servient land does prejudice to the installation of the facilities of structure and the other electric line.

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In the proviso of Para. 1 of Art. 13 "if the person who has the said right requests or the said person is unknown" shall read "except that the person who has the said right notifies that the government may not deposit," "and in Para. 3 of the same Article" and Para. 3" shall be deleted.

Article 14.

Any person, who is not satisfied with the consideration of the agricultural land purchased in accordance with the provisions of Art. 3 may bring an action of increase in a court; provided, however, this shall not apply to the case where two months have elapsed from the day on which the writ was delivered or the public notice mentioned in the latter part of Para. 1 of Art. 9 was given.

In an action mentioned in the provisions of the preceding paragraph the statement shall be the defendant.

In Para. 1 of Art. 15 "right concerning the use of water, trees" shall be added next to "the agricultural establishment", in item 1 of the same paragraph, "right concerning the use of water or trees" shall be added next to "The agricultural establishments".

Para. 2 of Art. 16 shall be amended as follows;

If deemed specially necessary, the government may sell the agricultural land mentioned in the preceding paragraph to the association as specified by order.

Necessary matters, relating to the sale and the management that the association to which the agricultural land has been sold in accordance with the provisions of the preceding paragraph does, shall be determined by order.

In Para. 2 of Art. 19 "Paras. 2 to 4 inclusive" shall read "Para. 3 to 5 inclusive", "Art. 7, Para. 3."

In Para. 1 of Art. 22 "In cases where the right which has been created in accordance with the provisions of Art. 12, Para. 2 exists in the agricultural land sold in accordance with the provisions of Art. 16," shall read "In cases where the agricultural land purchased in accordance with the provisions of Art. 3 in which the right has been created in accordance with the provisions of Para. 2 of Art. 12 exists, or the agricultural land as specified by order mentioned in Para. 1 of Art. 16 in which the right of lease, loan for use, emphyteusis, superficies or servitudes that had been created exists, was sold in accordance with the same Article," and the following proviso shall be added to the same paragraph.

Provided, however, that this shall not apply to the right on the said agricultural land which has been created, for the interest of the electric enterpriser, for the purpose of the use for installation of electric line.

In the proviso of Para. 2 of the same Article, "or to the case where he has acquired the right on such agricultural land as specified by order mentioned in Para. 1 of Art. 16 which has become extinct in accordance with the provisions of the preceding paragraph after such public notice as specified by order has been given," shall be added next to "to the case where he has acquired the right which has become extinct in accordance with the provisions of Art. 12, Para. 1 after the public notice mentioned in Art. 6, Para. 5 has been given."

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Para. 6 of the same Article shall be amended as follows; Any person, who is not satisfied with the amount of compensation mentioned in Para. 4 may bring an action of increase in a court; provided, however, this shall not apply to the case where two months have elapsed from the day on which the notification mentioned in the preceding paragraph was given.

In an action mentioned in the preceding paragraph the state shall be the defendant.

In Art. 26 a following paragraph, shall be added;

Nobody need pay the stamp-duty of the Stamp-duty Law in the written contract concerning the payment of the consideration of the agricultural land in accordance with the provisions of the preceding paragraph.

Article 26-2

The government may, in accordance with the provisions of order, cause a City, Town or Village to collect the consideration of the agricultural land which has been sold in accordance with the provisions of Art. 16.

In cases where of a City, Town or Village loses the consideration mentioned in the preceding paragraph owing to unavoidable accident, the government may, in accordance with the provisions of order, absolve him from responsibility.

In cases where any person does not yet pay the consideration after the time for the payment expires, the governor may, in accordance with the provisions of order, urge it and collect the arrears and fee for urging payment of it.

The consideration mentioned in Para. 1, and the arrears and fee for urging payment mentioned in the preceding paragraph may be collected according to the making attachment on property for arrears of national taxes.

In Para. 1 of Art. 28 "or his successor intends to give up to cultivate himself on the said agricultural land," shall read "or any person who has succeeded the ownership on the said agricultural land from him intends to give up to cultivate himself on the said agricultural land, or the association mentioned in Para. 2 of the same Article contravenes the provisions of Para. 3 of the same Article", in Para. 2 of the same Article "and Art. 14" shall be added next to "Art. 6, Para. 3", and in same Article the following three paragraphs shall be added;

In cases where the government acquired the agricultural land by purchasing in accordance with the provisions of Para. 1, he shall sell, except such case as specified by order, without delay the said agricultural land to the person who is likely to devote himself to cultivation as owner-farmer.

To the selling in accordance with the provisions of the preceding paragraph shall be applied mutatis mutandis the provisions of Art. 10, 14, Art. 16, Paras. 2 and 3, Arts. 17 to 21 inclusive and Arts. 26 to 27. In this case, "the preceding Article" in Art 17 shall read "Art. 28, Para. 3".

To the agricultural land which is sold in accordance with the provisions of Para. 3 shall be applied mutatis mutandis the provisions of Para. 3 shall be applied mutatis mutandis the provisions of the preceding four paragraphs.