

## THE POSTWAR JAPANESE AGRICULTURAL DEBACLE

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### *Introduction*

My intention in this paper is to demonstrate the importance in considering historical factors at the local, national, and international levels in an attempt to analyze the present circumstances confronting the Japanese farmer, and to explain the postwar historical context for the rise of the organic farming movement in Japan as a response to government agricultural policies that hit Japan's farmers hard.<sup>1</sup> My historical analysis is deliberately limited to the years following Japan's defeat and surrender to the United States in 1945.<sup>2</sup> The reasons for my decision to delimit the historical time frame center on what I consider to be a historically-specific occurrence of a realignment of international capital and military alliances in the immediate postwar period. I contend that the importance of the U.S. role in helping to

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<sup>1</sup> The multi-faceted Japanese organic farming movement is much larger, more diversified, and better organized than similar movements in other countries. Part of a global proliferation of alternative strategies for social transformation, the Japanese organic farming movement has its roots in the social upheavals of the 1960s anti-war, anti-pollution, anti-corporate, and feminist movements. Organic farming movement participants, composed of a diverse cross-section of Japanese society, are dynamically engaged in transforming social relations and creating new cultural values, self-identities, redefinitions of gender, and socio-political assumptions.

Integral to the success of the Japanese organic farming movement are the networks of grassroots-established organic foods distributors, retailers, and new consumer cooperatives, many of which were established in the early-1970s. Japan has the most highly-developed consumer cooperative system in the world and many of Japan's 650 consumer food cooperatives have established direct-marketing relations with organic farmers' groups throughout Japan. In addition, more than 900 grassroots-initiated and localized groups of consumers have established direct-marketing relations with local organic farmer groups that entail risk-sharing, negotiated prices on amounts and varieties of crops, and numerous opportunities for face-to-face contact.

The actions being taken by Japanese organic farmers to decentralize the structure of agriculture, create viable farm communities based on local inputs and ecologically sustainable methods, and form direct links with urban consumers, may be a key to rural revitalization not only in Japan, but in many parts of the world. The implications this has for the Third World rural development paradigm of agricultural modernization is highly significant, and coincides with the growing international concern with global environmental issues (see my Ph.D. Dissertation: *The Emergent Culture of the Japanese Organic Farming Movement and its Implications for Political Economy*. University of Wisconsin-Madison. University Microfilms: Ann Arbor, Michigan. 1995).

<sup>2</sup> The prevailing system of land tenure in Japan both before and after the Meiji Restoration in 1868 was one of feudal land ownership based on rent in kind. As the money economy expanded during the Tokugawa Period (1603-1867) and the feudal lords (through the large landowners) intensified their exactions from the small dependent tenant-farmers, many farm families were driven into extreme poverty and peasant revolts continued to intensify during the Tokugawa and early Meiji, peaking in 1873. The cumulative effect of repeated peasant uprisings led to the downfall of the Tokugawa regime.

shape the postwar Japanese state needs to be emphasized in order to understand the rationale behind Japanese agricultural policy shifts that led to the decline in the farming sector. Without a historically-based comprehension of the geo-political factors at the international level and the political economy at the national level, a socially-relevant analysis of Japanese agriculture today would not be possible.

Food has been, and continues to be, used as a political weapon. U.S. "food aid" for example, has been used to prop up military dictatorships and further U.S. strategic interests; to "reward" those states willing to implement "austerity" measures (which often translate to diminished social services and lower wages) recommended by the World Bank or International Monetary Fund; to improve the image of the United States worldwide through "humanitarian" acts of giving; or to punish those states not willing to give in to U.S. pressures to conform to the dictates of U.S. foreign policy/business concerns by either denying emergency food relief or by imposing an economic embargo, which often includes an embargo on food. The following historical analysis will, I hope, shed some light on the international political and social ramifications of Japanese agricultural policy in the postwar era, and point to the context within which many Japanese farmers came to confront international trade policies that continue to "make the rich richer, and the poor poorer."

### *Partial Land Reform or Revolution*

The 1946-1947 Land Reform initiated and implemented by the Supreme Command for Allied Powers (SCAP) is touted as the most successful of the reforms of the American Occupation. Ronald Dore, who wrote the most comprehensive work in English dealing with the reform, states that it was "successful because it fulfilled a long-felt need" (1959:147). Dore sees the reform as a model to be applied to Third World countries that need to address problems associated with tenancy disputes in order to raise agricultural productivity and living standards in rural areas (1959:xiii-xiv).<sup>3</sup> In a more recent study, Kobayashi, citing a SCAP report on the reform published in 1950, states that improving agricultural productivity was its main objective, thereby justifying limiting his analysis to the productivity aspect of the land reform (1972:5-6).

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The failure of Meiji leaders to implement a land reform led to grave structural contradictions in the 1920s and 1930s, and increasingly militant tenancy disputes seriously threatened the existing system, forcing the government to implement a semi-reform in 1936. The long history of peasant uprisings in Japan is well-documented in: Bix, Herbert P. *Peasant Protest in Japan, 1590-1884*. Yale University Press: New Haven. 1986. For excellent historical accounts of the Meiji agrarian settlement and of late feudal society in Japan, see: Norman, E.H. "Japan's Emergence as a Modern State" and "Feudal Background of Japanese Politics" in Dower, John W. *Origins of the Modern Japanese State: Selected Writings of E.H. Norman*. Pantheon Books: New York. 1975.

<sup>3</sup> Dore neglects to mention that the Japanese land reform may also serve as a model for counter-insurgency in the Third World. As the example of land reform in Japan clearly demonstrates, although social revolution may be forestalled, the ultimate beneficiaries (in the long term) of a land reform based on a "Japan model" (as Dore calls for) will not be the small-holder farm families.

<sup>4</sup> Dower notes that the postwar land reform was facilitated by the presence of a number of Japanese academics and bureaucrats who were fully committed to the formal implementation of a land reform. He also points out that the "food administration system" implemented in 1941 severely weakened the power of the landlord class in Japan

By weakening the landlord-tenant class relation that had prevailed in Japan prior to the reform,<sup>4</sup> no doubt the land reform initiated a process of creating new social relations in Japanese rural society. However, what I wish to stress is that land reform, in the immediate aftermath of the war, was considered to be essential to the maintenance of political stability. By creating a class of owner-operators, the threat of rural radicalism would be eliminated, and a conservative stronghold would simultaneously be created. Indeed, until recently, the over-represented rural vote has been essential to the electoral success of the conservative ruling party.

Rural radicalism had been an important aspect of agrarian Japan since at least the 16th century (see Bix 1986), and the weakened conservative hegemony in the immediate postwar period contributed to the proliferation of groups that advocated a participatory democratic overthrow of the capitalist system, replacing it with a form of democratic socialism. A social revolution, initiated by a coalition of farm and labor left-wing parties and organizations was a distinct possibility recognized by both the Occupation authorities and the conservative Japanese government.

Eric Ward, economic advisor to the British Commonwealth Member of the Allied Council for Japan from April 1946 to November 1947, notes that although one school of thought within SCAP regarding land reform was that it “smacked of communism,” the view that was ultimately adopted by SCAP was “that the reform, by creating a class of peasant proprietors who would be attached to private property and conservative politically would actually increase the resistance to communism” (1990:56).

Although Yoshida Shigeru, the Japanese Prime Minister at the time, was opposed to the land reform initially “on principle” since it entailed an interference with private property rights (1990:86), Ward notes that with the release of political prisoners and left-wing political parties gaining in strength and influence in the countryside as well as in the urban landscape, and with radical land reform that included the call for distribution of privately-held forest lands high on their agenda, Yoshida had concluded in retrospect that the land reform that had been implemented was the primary contributory factor in forestalling a social revolution (1990:112):

Yoshida Shigeru, after noting that the population in the rural areas remained calm in the face of mounting agitation in the urban areas, goes on to say: “One does not care to think what might have happened had events taken another course and if the farmers had made common

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since the government paid the tenants directly for agricultural produce and direct ties between tenant and landlord were severed. He notes that this factor also facilitated the postwar land reform. He then offers a quote from a report by Andrew Grad, a postwar land reform planner, to underline this point concerning the wartime erosion of landlord power: “The separation of the landlord from the land was far-reaching in its consequences.... As the produce of his land was not permitted to reach him, as the price paid him for rice was considerably lower than the price paid to the tenant, and as he was not permitted during the war to evict his tenants, the bond between the landlord and his land was all but severed. In the eyes of the government he became little more than a good-for-nothing rentier - a view that paved the way for the postwar land reform. It became much easier to take land from the landlords when they could not claim it, its produce, or even its rent.... [I]t is doubtful that, even with the support of the Occupation authorities, land reform could have been carried out by a conservative government as successfully as it was, if the way had not been smoothed during the war” (Grad, Andrew J. *Land and Peasant in Japan: An Introductory Survey*. Institute of Pacific Relations: New York. 1952:34, 39-40. In Dower, John W. “The Useful War.” *Daedalus*:119:3. Summer 1990:61).

cause with the city crowds. Again, if at that time the Government had failed to carry out a thorough agricultural land reform, and aroused discontent in the rural areas, the result would have been incalculable.”

By June 1951, close to 30,000,000 parcels of agricultural land totaling 1,956,676 hectares had been bought by the government and sold to new owners (SCAP: Natural Resources Section Report No.148. 1951:103). The cultivated area farmed by tenants had been reduced from 46% of the total area under cultivation to about 10% of the total by 1950 (SCAP: Natural Resources Section Report No.148. 1951:103). By 1965, the proportion of tenant land to the total cultivated area fell to 5%, with a slight rise in tenancy detected beginning in 1980 (Ward 1990:105). The Natural Resources Section of SCAP estimated that the total cultivated land area in 1950 was 6,000,000 hectares, claiming the official Japanese government estimate of 5,048,325 hectares to be unrealistically low (SCAP: Natural Resources Section Report No. 148. 1951:24). SCAP felt that the Japanese government was being overly protective of the politically still influential landlord class.

Based on a census taken in February 1950, the total number of farm households was 6,176,422, with 40.6% of total households holding less than .5 hectare of farmland (SCAP: Natural Resources Section Report No.148:24). The minimum amount of farmland considered to be necessary to sustain a farm family at that time was one hectare (SCAP: Natural Resources Section Report No.148. 1951:109).

Thus, the number of people involved in tenant relationships after the land reform remained significant. This perpetuated the continuance of traditional power relationships in the countryside since a farmer obliged to lease even 10% of the land needed remains in a dependent class position. In addition, with an amount of land insufficient to support his family, many small farmers were forced to work off the farm, often having to migrate to urban centers; others, were forced off the land.

One other important point concerning the conservative nature of the land reform is that it did not affect forest land. Large landowners often owned forest land in addition to agricultural land, and were thus able to maintain their positions of power and influence in many areas through the control of lumber and charcoal.<sup>5</sup> These crucial relationships of class and power are left out in many accounts of the land reform. The landlord class continued to enjoy power and status due to their ties to urban political and commercial elites. Their influence in local politics, through regional and national connections, continued uninterrupted. Dore, in fact, attempts to reduce class relations of employer to employed, to pre-capitalist relations of obligation and reciprocity, and personal dependence (Dore 1959).

That large landowners retained their positions of prominence in community affairs is made clear in a SCAP Natural Resources Report published in November 1950 (No.136:169):

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<sup>5</sup> Although not a large landowning family by any means, one of the organic farmers (born in 1939) at my primary dissertation research site of Miyoshi Village (on the southern tip of Bōsō Peninsula across the bay from Tokyo) explained to me that because his family owned some forest land (in addition to 2.1 hectares of agricultural land), he had never had to work off the farm. He said that from some of the stories he had heard neighboring farmers tell concerning the dangerous and physically demanding work they had had to engage in as construction workers, truck drivers, or factory hands, he considers himself very lucky.

He told me that he and his father, with two hired workers, would spend most of their time during the winter months up in the mountain, cutting down trees. They would then sell selected branches to a roofing tile maker,

Large landowners generally, through their relatively wide range of economic contacts, have opportunities to enter types of business other than agriculture. Most of the former large resident landlords still occupy leading positions in the villages. Some have extensive forest holdings, some have industrial and commercial investments, and some are professional people. Since the sale of (some) of their arable land to the government, some have experimented with new business ventures, such as sawmilling or merchandising, or with some kind of service to the community. In one instance, in Yokogoshi, a large landlord arranged for his house, which contained a considerable number of art objects, to become a branch of the National Museum. He seems to relish this arrangement and boasts of the tens of thousands of people who each year, for a small fee, go through his museum. He has achieved two ends: a means for maintaining his prestige and a means for performing a traditional seignorial service to the community.

Many of the large landowners, as members of the dominant class, had the necessary economic and political connections to not only survive the reform, but emerge in enhanced positions, both socially and economically. Many of the former tenants on the other hand, although released from previously often onerous relations of subservience and dependence vis à vis the landlords were actually left in a precarious economic position.

With 40.6% (2,522,355 households) of the newly-created "owner-cultivators" owning less than .5 hectare of farmland and with an additional 31.9% (1,972,917 households) owning between .5 hectare and .99 hectare of farmland (Natural Resources Section Report No.148. 1951:24), it appears to me that the land reform succeeded in meeting the industrial sector's projected need for cheap labor, since the majority of farmers with less than one hectare of land would not be able to sustain themselves by farming alone.

The land reform, in addition to defusing the revolutionary potential in the immediate postwar years in Japan, was an essential prerequisite to the realization of the role envisioned for Japan (by both sides) as a major U.S. ally and front-line defense against communist expansion, and as a major market for American agricultural surplus (e.g. wheat and corn). That increased Japanese reliance on agricultural imports from the U.S. was a condition

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make charcoal to sell at the morning market in town, and sell pine planks and miscellaneous logs to the local lumber dealer. With the income obtained from the sale of wood and wood products to supplement their farm income, they were able to make ends meet satisfactorily.

However, by the mid-1970s, ever increasing amounts of cheap wood and wood products from abroad (due to GATT trade agreements) were driving down the price they were able to obtain for wood. This forced them to reevaluate their situation, and they were faced with the prospect of having to seek off-farm employment. Fortunately, a neighboring farmer from Yamana Hamlet invited them to join the Miyoshi Producers' Group of organic farmers who had just the previous year formed a co-partnership with a group of Tokyo consumers. They gratefully joined the Tokyo-Miyoshi Co-partnership in 1975.

Here is an example of a man who took up farming partly because he was obligated to, as the only son, partly because he wanted to, and partly because there were no viable options for him to consider. Luckily, with access to family forest land, he was able to stay on the farm and not have to resort to searching for temporary or part-time jobs off the farm. If he had not been asked to join the Miyoshi Producers' Group when he had, he would undoubtedly have had to supplement his farm income with some sort of off-farm employment when the price for lumber fell drastically. Now, he is able to support his family comfortably on the income generated from farming alone. Thus, by the mid-1970s, even those farm families owning a modest amount of forest land to help supplement their farm income, were being forced to give up farming on a full-time basis and enter the job market as low-paid, unskilled laborers; their children were encouraged to strive for non-farming careers.

required to be met in order for Japanese capital to have relatively free access to export markets for its manufactured goods will be made apparent in the following section.

### *The Politics of Food: PL480 and the Military Alliance*

The United States has been applying pressure on the Japanese government to import ever increasing amounts of American agricultural surplus continuously since the beginning of its military occupation of Japan in 1945. The insistence of U.S. trade representatives for Japan to “liberalize” agricultural imports is by no means a recent phenomenon; it has been on-going for fifty years. Japanese business organizations, led by the Federation of Economic Organizations (*Keidanren*) representing the interests of the huge Japanese financial and corporate combines, have also been applying pressure on the government to liberalize agricultural imports since 1955 (Bernier 1988:85).

The Japanese food processing industry dominates the Food Industry Policy Subcommittee of *Keidanren's* Agricultural Policy Committee, thus adding incentive to push for agricultural trade liberalization (George 1990:365). In order to pacify U.S. exporters of American agricultural surplus, benefit the large Japanese corporations eager to expand their export market for manufactured goods and gain access to cheap raw materials (including foodstuffs), and rebuild its military strength by revitalizing its military-related industries, the Japanese government readily agreed to U.S. proposals to accept its agricultural surplus.

There have been three United States-Japan agricultural surplus-commodity agreements instrumental to realizing the above stated goals. The first, the U.S.-Japan Mutual Defense Assistance Agreement, was signed on March 8, 1954, under Section 550 of the Mutual Security Act<sup>6</sup> of 1951, and provided for sales of American surplus wheat, valued at U.S.\$50 million. The second, signed on May 31, 1955, was in accordance with Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, and provided for sales of surplus grains such as wheat and barley valued at U.S.\$85 million. Under the third agreement, signed on February 10, 1956, American agricultural commodities valued at U.S.\$65.8 million were sold to Japan under the provisions of Public Law 480 (Borton et. al. 1957:126).

These three agreements enabled Japan and the United States to strengthen their military alliance beyond the terms of the 1951 Mutual Security Act by allowing the United States to build up its military infrastructure on U.S. bases in Japan and allowing Japan to build up its arms industry, both objectives made possible through the “counterpart funds” formula used to pay for the U.S. farm surpluses that Japan guaranteed to purchase (Wessel 1983:153). The counterpart funds strategy allowed Japan to pay for its agricultural imports from the United States in yen, thereby retaining its foreign exchange reserves. The United States “loaned” a part of the yen payment to Japanese weapons industries and used the rest of the yen payment to pay for acquiring assets in Japan (Borton 1957:147). Bix notes (1972:25):

The “counterpart funds” formula ... functioned to convert surplus U.S. grain into Japanese war potential.... One of the first beneficiaries of this arrangement, New Mitsubishi

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<sup>6</sup> The Japan-U.S. Security Treaty (Mutual Security Act) not only has a provision for military cooperation, but it stipulates, in Article 2, that close economic cooperation should be promoted between the two countries.

Heavy Industries, received a total of 1.5 billion yen in MSA counterpart funds which it invested in facilities for manufacture of the F-86 fighter, which went into production in 1956.... Apart from their military value, these ... agreements reflected the growing compatibility of U.S. and Japanese mercantilist trade policies during these years. They also confirmed that postwar Japanese capitalism, no less than the prewar variety, intended to cannibalize the countryside for the development of an urban-industrial Japan.

Worldwide, between 1954 and 1977, PL480 sales accounted for 70% of "food aid," mostly wheat (Friedmann 1990:18). By 1964, as agricultural surpluses increased in the United States, PL480 food aid shipments accounted for 78% of U.S. wheat exports, up from 33% when the program was initiated in 1954 (Wessel 1983:155). In Japan, the first shipment of PL 480 surplus wheat, valued at U.S.\$50 million, arrived shortly after the agreement was signed in March 1954. U.S.\$40 million (paid in yen equivalent), was used by the U.S. military to acquire more land for U.S. military bases in Japan, and the other U.S.\$10 million was "loaned" to Japanese weapons manufacturers (Ohno 1988:17).

In short, through PL480, the United States obtained local currencies with which to pursue strategic economic and military objectives. In Japan, the United States, by means of this "food aid" was able to build "permanent" military bases and facilities, numbering more than 130 today; it was able to reinvigorate the Japanese military-industrial complex, which had already begun its comeback during the Korean War; and it managed to open Japan's door to huge increases in U.S. surplus agricultural imports.

Between 1954 and 1964, Japan received U.S.\$445 million in PL 480 "food aid" shipments; its imports of U.S. agricultural commodities through conventional trading channels during this same period amounted to \$10.8 billion (Ohno 1988:18). Japan was on its way to becoming the number one importer of U.S. agricultural goods and number one among advanced capitalist countries as being most dependent on food imports, with its self-sufficiency ratio in grains (including rice and feed grains) dropping to 29% by 1991 (MAFF:1993).

Between 1945 and 1953, the Japanese government had given priority to increasing food production and by 1953 the budget for agriculture and forestry comprised 16.6% of the total national budget, but in 1954, when the first purchase of U.S. agricultural surplus was made, the agriculture and forestry budget was slashed 25% to 11.2% of the total (Ohno 1988:17). By 1956, the budget for agriculture had fallen to 8.4% of the national budget, at a time when Japan's food production was still insufficient to meet domestic demand (Ohno 1988:17). An agricultural policy of dependence on imported food was thus firmly in place and the Japanese military build-up was assured with a 25% increase in the defense budget in 1954 (Ohno 1988: 18).

In order to promote the sale of American agricultural products, a nationwide campaign to encourage Japanese to change their staple from rice to bread was staged in the latter half of the 1950s jointly by the Japanese and American governments which involved many nutritionists and medical doctors (Ohno 1988:18). A U.S. government-supported campaign convinced many Japanese nutritionists that a rice-based diet was nutritionally deficient and even caused "brain damage" (Hammond 1990:48). The U.S. Wheat Association went so far as to dispatch a fleet of "kitchen buses" throughout Japan in 1955 to show housewives how to use imported (bleached, white) flour for baking. This particular campaign failed dismally since few Japanese households had ovens (Hammond 1990:48). Such sales promotion efforts were funded by a

portion of the “yen counterpart” payments for PL480 food aid (Hammond 1990:46).

These campaigns to encourage Japanese to eat more bread as part of the PL480 “food aid” program, along with the school lunch program paved the way for astronomical increases in imported American agricultural products over the years as the imposed dietary changes affected the taste preferences of younger generations of Japanese (Moore 1990:256; Ohno 1988).

The school lunch program, initiated during the occupation and reportedly the inspiration of Mrs. Douglas MacArthur (Hammond 1990), provided Japanese children with a glass of milk, a slice or two of white bread, and a bowl of meat-based stew, and was expanded to include primary and secondary school students (Hammond 1990). In more recent years, the school lunch program’s menu has also expanded, using imported wheat flour to make pasta dishes, breading for deep-fried meat and vegetable dishes, various pastries and dessert dishes, in addition to bread for a variety of sandwiches (personal observation). Japan’s Agriculture and Forestry Minister, Akagi Munenori, speaking at a Food for Peace dinner in 1952, expressed the following concern (Hammond 1990:46):

At the same time that shiploads of American food were coming to our shores helping to stamp out revolution, a different kind of revolution is occurring in Japan. It is a revolution in eating habits. For centuries our dietary habits were built around rice. Today we find people in the cities and even the farm communities eating bread ... while rice consumption continues to decline.

Since the United States, even after its occupation of Japan was terminated in 1952, continued to provide free wheat for the school lunch program and subsidize commercial supplies, the Japanese government (anticipating the passage of PL480 legislation in the United States) passed a resolution in 1953 to purchase more wheat and encourage the use of wheat and dairy products as staple foods (Hammond 1990:46). The success in changing the dietary habits of the younger generations of Japanese born during the postwar period has been instrumental in allowing the Japanese government to accept ever increasing amounts of agricultural imports.<sup>7</sup> Its’ effect on Japanese family farmers will be made clear in the following section.

### *Agricultural Policy Shifts*

Most of the original provisions of the 1946-1947 land reform have been overturned. As Moore notes, the 1962, 1970, and 1980 amendments to the Agricultural Land Act of 1952 effected the most significant changes in the land reform (1990:103). The “land to the tillers” policy established by the Agricultural Land Act of 1952, placing upper limits on agricultural

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<sup>7</sup> The Group for the Production and Consumption of Safe Foods (the Tokyo-Miyoshi Co-Partnership) published a booklet entitled, “Proper Diet for the Prevention of Adult-Onset Diseases” in December 1990. It cogently reveals the political nature of the postwar changes in the Japanese diet and the ways in which this dietary change has adversely affected the health of the population. It points out that health problems such as heart disease, diabetes, obesity, and arthritis associated with the overconsumption of cholesterol, sugar, and fat are dramatically increasing due to the incorporation of Western dishes into the Japanese diet, and recommends returning to a more traditional Japanese diet of rice, fish, and vegetables.

land holdings, was overturned; the 1962 amendment gave private corporations the right to exceed the upper limits on agricultural land ownership; the 1970 amendment abolished the upper limit on the leasing of pasture land and tenant land rights were nullified; and the 1980 amendment facilitated the leasing of large tracts of agricultural land to the “most efficient producers” (Moore 1990:103-104, 293-306).

The 1961 Fundamentals of Agricultural Law heralded the “official” incorporation of Japanese agriculture into the international market for agricultural commodities. It called for the consolidation of farms at the same time eliminating inefficient small producers thereby making Japanese agricultural production internationally competitive; the raising of productivity through rationalization measures including increased mechanization, introduction of land improvement projects such as large-scale irrigation schemes and infrastructural development; and most importantly, the “selective expansion” of agriculture to “Westernize” the eating habits of Japanese by diversifying into cattle raising, fruit production, and dairy farming (Moore 1990:291; Ohno 1988:20).

The 1961 Fundamentals of Agriculture Law complimented the “National Income-Doubling Plan” announced by the Ikeda government the previous year, in which a ten year period of rapid economic growth requiring small farmers to “sacrifice” themselves by migrating to urban centers to fill the projected need for labor was envisioned. It also complemented the government’s 1960 “Fundamental Principles on the Liberalization of Trade and Foreign Exchange” bill which called for the raising of the nation’s trade liberalization rate to 80% in a period of three years. This coincided with a renewed effort by the United States to “persuade” Japan to increase its importation of the U.S. agricultural surplus. The common agricultural policy of the then European Economic Community (EEC) began to function in 1962, and common protective barriers began to come into effect that greatly hindered the continuance of U.S. agricultural exports to those nations (Bix 1972:25).

Table 1a shows that after 1960, even farm families with between one hectare and 1.5 hectares were disappearing.<sup>8</sup> Table 1b portrays a similar landscape of farm foreclosures on the northernmost island of Hokkaido. However, looking at the decrease in the total number of

TABLE 1a. FARM HOUSEHOLDS BY SIZE OF CULTIVATED AREA (excluding Hokkaido) (Unit 1,000)

Year	Total	under 0.5	0.5-1.0	1.0-1.5	1.5-2.0	2.0-2.5	2.5-3.0	3.0-5.0	over 5ha.
1955	5,806	2,285	1,955	981	376	132	48	28	1.5
1960	5,823	2,275	1,907	1,002	404	147	54	34	1.5
1965	5,466	2,096	1,762	945	407	156	59	38	2.4
1970	5,176	1,999	1,604	868	404	170	71	55	5.2
1975	4,819	1,995	1,436	727	349	162	74	67	8.7
1980	4,542	1,922	1,304	652	328	161	79	82	13
1985	4,267	1,856	1,182	583	300	154	80	93	19
1990	3,739	1,560	1,049	514	268	144	78	100	2.6
1991	3,696								
1992	3,652								

Sources: Japan Statistical Yearbook 1991:151; Abstract of Statistics on Agriculture, Forestry, and Fisheries 1993:9 (1991-1992 data).

<sup>8</sup> Most farm families who give up trying to make a living from farming continue to hold onto their land as a form of security against the vicissitudes of old age. Until they are too old to work, family members rely exclusively on off-farm employment to provide the income necessary to survive.

TABLE 1b. FARM HOUSEHOLDS BY SIZE OF CULTIVATED AREA IN HOKKAIDO (Unit 1,000)

Year	Total	under 1ha.	1.0-2.0	2.0-3.0	3.0-5.0	5.0-7.5	7.5-10	10-15	15-20	over 20
1955	237	60	23	28	49	35	13	25	2	1
1960	234	61	25	32	57	33	14	9.4	1.7	0.3
1965	199	47	19	24	48	31	15	12	2.9	0.7
1970	166	36	14	15	35	28	14	14	6.4	4.8
1975	134	27	11	11	26	21	11	10	6.3	10
1980	120	23	9.3	9.2	20	19	11	10	6.0	13
1985	109	20	7.9	7.8	16	16	10	10	5.8	15
1990	95	17	5.8	6.2	12	13	9.3	10	5.7	16
1991	93									
1992	91									

Sources: Japan Statistical Yearbook 1991:151; Abstract of Statistics on Agriculture, Forestries, and Fisheries 1993:9 (1991-1992 data).

households, 60% of the farmers in Hokkaido were eliminated, and only 35% on the other three main islands disappeared. The Hokkaido example starkly reveals the devastating effect that recent Japanese government decisions to expand the "liberalization" of agricultural imports, including dairy products and meat, have had on those farmers who had followed government policy directives to "get big or get out," Japanese-style. Many farmers in Hokkaido, with landholdings much larger than the national average due in part to the consolidation of farm plots carried out by U.S. Occupation agricultural experts attempting to create "model" American-style farms, have pursued expansion through specialization and mono-cultivation strategies recommended by the government.

The capital investments required to expand their operations were for the most part financed through borrowing. Ohno Kazuoki, secretary general of the Research Council on Agricultural Problems since its foundation in 1964, citing a 1985 survey by the Hokkaido prefectural government, notes (1988:26-27):

... on average, the Hokkaido farmer was twenty million yen (U.S.\$200,000) in debt, with beef cattle farmers most seriously indebted, followed by those in dairy farming, those in dry field farming, and those in paddy field farming. Only 33% of the debt-carrying beef cattle raisers were earning incomes large enough to pay the principal and interest. Even among the paddy rice cultivation farmers, burdened with smaller debts, the proportion was only 61%. Farmers with less healthy operations were only barely managing to pay back interest, or, unable to pay back even the interest, were helplessly watching their debts snowball.

With import restrictions on dairy products and meat lifted in 1990, the plight of farmers in Hokkaido has worsened considerably. The "get big or get out" strategy applied to the farmers in Hokkaido has resulted in farm foreclosures and shattered dreams.

Table 2 shows the decrease in full-time farming households and the increase in part-time farming households. In Japan, part-time farmers are divided into two categories: "Part-Time I" are those who obtain more income from farming and "Part-Time II" are those who obtain more income from off-farm sources of employment. I will discuss the agricultural policy shifts that precipitated the increase in the numbers of part-time farm families, and discuss how important this reserve labor force was in sustaining the "Japanese miracle" years of economic expansion in a later section, but a brief glance at the table should be sufficient to indicate the huge numbers of "cheap and docile" laborers Japanese capitalists had access to throughout the

TABLE 2. NUMBER OF FARM HOUSEHOLDS CLASSIFIED AS FULL-TIME AND PART-TIME (Units 1,000)

Year	Total	Full-Time	Part-Time I	Part-Time II
1950	6,176	3,086 (50.0%)	1,753 (28.4%)	1,337 (21.6%)
1960	6,057	2,078 (34.3%)	2,036 (33.7%)	1,942 (32.0%)
1970	5,402	845 (15.6%)	1,814 (33.7%)	2,743 (50.7%)
1980	4,661	623 (13.4%)	1,002 (21.5%)	3,036 (65.1%)
1990	3,835	592 (15.4%)	531 (13.8%)	2,712 (70.7%)
1991	3,789			
1992	3,743			

Sources: Japan Statistical Yearbook 1991; Abstract of Statistics on Agriculture, Forestry, and Fisheries 1993; Ministry of Agriculture and Forestry (1950 data).

postwar years.

The precarious economic position that most farmers found themselves in forced them to accept low wages and often dangerous working conditions away from home. Many of them ended up losing their farms, working in factories and construction sites as unskilled laborers. Between 1950 and 1990, as Table 2 indicates, farming households decreased by 38%, the proportion of farm households engaged in farming on a full-time basis fell from 50% to 15.4%, and the percentage of farmers earning the major portion of their income from off-farm sources rose to 70.7%. That the farmers' children saw no future in farming is indicated by the dramatic drop in the number of graduates (those leaving school to enter the workforce) taking up farming; in 1960 there were 127,000, in 1989, 3,420 (Ministry of Education: Basic Schools Survey Report 1990).

With trade restrictions in agricultural goods considerably eased, the resultant upsurge in agricultural exports to Japan contributed directly to the decline of Japan's production of wheat, barley, soybeans, and rapeseed. By 1971, 85% of the wheat consumed in Japan and 93% of the soybeans were imported from the United States. Between 1965 and 1971, the United States accounted for at least 70% of Japan's agricultural imports and Japan had become not only the biggest importer of U.S. agricultural goods but the biggest foreign market ever for U.S. farm produce.<sup>9</sup>

Table 3a reveals the Japanese government's intention to gradually phase out family farming in Japan by increasing agricultural imports and forcing Japanese farmers unable to compete with the cheap imports to abandon the production of crops such as winter grains, affected by the "liberalization" measures. With the flood of agricultural imports pouring into Japan, farmers had to give in to pressures to specialize, and the double-cropping of rice and winter grains on the same fields and the mixed-crop, integrated farming practices in which a complex rotation system of growing crops year around on upland fields was abandoned.

The extremely contradictory nature of Japanese government agricultural policies during the postwar decades reflects the process of subordinating agricultural to industrial interests, and the subordinate position of Japan in its relation to the United States. Encouraging farmers

<sup>9</sup> In 1992, the percentage of agricultural imports from the United States remained high: 59.3% of wheat; 79.4% of corn; 64.3% of grain sorghum; 89.5% of soybeans; and 58.9% of meat (Japan Statistics Bureau 1993). Import figures for the two major feed grains, feed corn and grain sorghum, which totaled 1.4 million tons in 1960 increased to 20.48 million tons by 1987; soybean imports rose from 1.13 million tons to 4.8 million tons; wheat from 2.68 million tons to 5.48 million tons; and meat from 30,000 tons to 820,000 tons (Ohno 1988:20).

TABLE 3a. DECREASE IN PLANTED AREA OF  
CROPS AFFECTED BY INCREASE IN IMPORTS

(Area in thousands of hectares)

Crop	1965	1970	1975	1980	1985	1989
Six-row barley	132	46	11	19	23	29
Two-row barley	113	99	50	85	80	76
Naked barley	177	80	17	18	10	8.6
Oats	62	27	13	6.5	3.1	2.4
Red beans	108	90	76	56	61	67
Kidney beans	92	74	44	23	24	24
Peanuts	67	60	41	33	27	19
Broad beans	16	6.5	2.5	1.6	0.9	0.7
Mandarin oranges	115	163	169	140	113	86
Summer oranges	15	18	16	16	13	9.1
Rapeseed	85	19	4.4	2.4	1.6	1.0

Source: Japan Statistical Yearbook 1991:162-165

to turn to specialty-crop production such as establishing and expanding citrus production or promoting the expansion of dairy farming by offering tax incentives and low-interest long-term loans, only to end up liberalizing the import of citrus and dairy products, clearly indicates the blatant manner in which Japanese farmers have been exploited, double-crossed, and abandoned by a government acting in the interests of big business.

A farm couple in Miyoshi told me about how much work it took for the two of them to establish their mandarin orange (*unshū mikan*) orchard during the first several years after their marriage in 1958. They had decided to put their mountain land to good economic use by growing a cash crop of oranges, a policy of orchard expansion which was being promoted by the Ministry of Agriculture, Forestries, and Fisheries (MAFF) at that time. After recalling how hard his new bride had worked alongside him, planting and nurturing more than one-thousand saplings, this Miyoshi farmer said:

We were young and naive then and we trusted in the government. We believed our future would be secure if we closely followed the MAFF guidelines. Before we joined the co-partnership as two of its founding members in 1974, we had been marketing low-chemical input mandarin oranges successfully through a direct-marketing arrangement with Tokyo consumers. If we hadn't done that, we would have had to give up farming altogether. Many farmers throughout Japan growing mikan who faithfully followed government directives had to give up farming after the liberalization of citrus imports in 1972.

His wife added:

The forming of the co-partnership with consumers in 1974 allowed us to expand production beyond citrus to include vegetables and rice. Our family income was assured and we were able to stop worrying about the future and whether we would have enough money to live on.

Here is an example of a full-time farming couple, farming together since their marriage in 1958, who have struggled to continue to be able to make a living from their farming efforts alone. Although many citrus growers in Japan gave up their orchards in the 1970's climate of agricultural liberalization, not able to compete with the increasing flood of cheap citrus imports, this farm couple stubbornly refused to abandon the orchards they had painstakingly nurtured. They had discussed the impending decision to open up the citrus market to cheap

imports in 1970, two years before the actual implementation of the liberalization policy, and had decided to directly market low-chemical-input mandarin oranges to interested consumers in the Tokyo area.

They had read in the newspapers about consumers' groups opposing the import of citrus into Japan claiming that chemical residues on imported citrus would be much higher than on domestically-grown citrus. These groups pointed to not only the use of pesticides not allowed by Japanese law, they pointed to the use of post-harvest chemicals needed to prevent spoilage during shipment. This Miyoshi farm couple contacted several consumers' groups and negotiated the sale of their entire crop on the condition that they would restrict their application of chemicals to the once-per-season use of a consumers' group-approved fungicide to control fungicidal growth that may adversely affect the long-term health of the citrus trees. With the assurance that their entire crop would be sold, these farmers were elated to be able to continue working together in their chosen vocation.<sup>10</sup>

Contradictory agricultural policies that at times encouraged farmers to grow more rice and at other times forced farmers to grow specialty crops, increasingly affected the amount of acreage devoted to rice production, the mainstay of the Japanese farmer. Table 3b indicates the marked decrease in the cultivation of paddy fields under the set-aside policy (*gentan*) the government initiated in 1971. Under this policy, all farmers had to set-aside a percentage of their paddy fields each year, either by fallowing or by diverting its use to the production of

TABLE 3b. PADDY LAND SET-ASIDE POLICY

Year	Hectares	Year	Hectares
1971	547,000	1983	630,000
1972	566,000	1984	600,000
1973	562,000	1985	511,000
1974	313,000	1986	600,000
1975	264,000	1987	770,000
1976	215,000	1988	778,000
1977	232,000	1989	792,000
1978	391,000	1990	830,000
1979	471,000	1991	800,000
1980	584,000	1992	700,000
1981	631,000	1993	676,000
1982	667,000	1994	600,000

Source: MAFF and JICA: Japanese Foods, Agriculture, and Rural Areas. 1993:12

<sup>10</sup> What I found to be striking in their account of their initial conversion to low-chemical-input farming and the subsequent marketing of their citrus directly to Tokyo consumers socially active in citizens' protest groups opposing the implementation of governmental agricultural policies that would harm both consumers and farmers in Japan was the fact that this Miyoshi farm couple became aware of the existence of these groups through the mainstream media. This indicates how the mainstream media, ordinarily used as a vehicle to disseminate the dominant culture's ideology, does, at times, give coverage to news events that may be used for anti-hegemonic or counter-hegemonic ends.

Most Japanese do not subscribe (although they may have periodic exposure) to non-mainstream media publications that may provide information concerning the activities of various social movement organizations. The fact that the mainstream media give periodic exposure to various grassroots organizations, including those within the organic farming movement in Japan, indicates that it can at times be used effectively to further the project of social transformation.

TABLE 4. DECREASE IN CULTIVATION OF AGRICULTURAL LAND (Unit: 1,000 hectares)

Year	Total	Paddy Fields	Dry Upland Fields
1960	6,071	3,381	2,690
1965	6,004	3,391	2,614
1970	5,796	3,415	2,381
1975	5,572	3,171	2,402
1980	5,461	3,055	2,406
1985	5,397	2,952	2,427
1990	5,243	2,846	2,397
1991	5,204	2,825	2,380
1992	5,165	2,802	2,362

Sources: Japan Statistical Yearbook 1991:156; MAFF Abstract of Statistics 1993:9

other crops. Ostensibly, this was to reduce the amount of surplus rice the government had to store, but according to many of the farmers I talked with the policy was intended to force more farmers to give up farming and to create an artificial shortage of rice to justify the eventual opening of the market for the importation of rice, primarily from the United States.

Time and again, farmers in different parts of Japan told me that they had no choice but to set-aside 25% of their paddy land, for if they refused, the government, through Nôkyô (Association of Agricultural Cooperatives), would refuse to buy 25% of the rice crop. If the farmers continued to grow rice on their rice fields, the second year the government would refuse to buy one-half the crop, the third year, three-quarters, and the fourth year, the entire crop. They pointed out to me that once paddy fields are left fallow, it is very difficult to reclaim them and produce good yields of rice again. Although there was monetary compensation from the national government for either fallowing (30,000 yen annually per .1 hectare) or diverting paddy land to other uses (40,000 yen annually per .1 hectare), the farmers claimed that the amount was so low as to be an insult.

The amount of paddy land "forcibly retired" each year continued to increase so that by the early 1990s, approximately 30% of cultivatable paddy land had either been put to other uses or lay fallow; more than 300,000 hectares of paddy land that had been "set-aside" had turned to wasteland, abandoned and unfit for farming. Table 4 shows the abandonment of agricultural land, both paddy and upland fields, in direct relation to the government's policies of increasing agricultural imports and further "rationalizing" the farming sector.

The agricultural policies introduced by the Japanese government in the postwar period have led to an unprecedented dependence on agricultural imports, the rapid increase of which has caused many farmers to leave the farm. Of those farm families remaining, by 1992, only 284,000 out of a total of 3,742,000 (9.2%) are farming on a full-time basis (MAFF Abstract of Statistics on Agriculture, Forestry, and Fisheries 1993:10).

### *Off-Farm Employment: Squeezing the Farmers Further*

Moore notes that "Japanese farming households have created a part-time farming' survival strategy and have become a vital link in the expansion of industrial capitalism" (1990: 13). This strategy entailed having other family members (most often wife and/or parent(s)) work the farm during the weekdays while the husband worked full-time off the farm.

Two terms came into common usage by the early 1960s denoting the division of labor on

the majority of family farms in postwar Japan: *san chan nôgyô* and *shûmatsu nôgyô* (“week-end farming,” referring to the prevalence of seeing the husband working in his fields only on weekends). The first term refers to the three family members who actually worked the farm on a regular basis; the mother, grandmother, and grandfather (from the children’s perspective).

Between 1950 and 1960, Japanese farm families provided the industrial sector, concentrated in the major metropolitan areas, with a steady stream of low-wage labor. Twenty to thirty thousand young men annually left farming for work in the cities, while the percentage of full-time farmers fell from 50% to 34.8% during the same period of time (Bix 1974). Also, many of the remaining farmers resorted to migrating to urban areas during the off-season in order to make ends meet. Labor recruiters, often affiliated with organized crime syndicates in Japan, traveled to rural areas in search of workers willing to work in factories or at construction sites for low wages and non-existent fringe benefits (Nee 1974:12-13). This type of employment “opportunity,” as recruited *dekasegi*, or migrant workers, still exists, although not as prevalent as it was from the mid-1950s to the late 1960s.

When I went to Niigata and Yamagata Prefectures in northern Japan on the Japan Sea coast, I found that many of the farmers not affiliated with the organic farmers’ groups in the area either worked at local factories or migrated to the Kanto or Kansai (Tokyo or Osaka) areas for seasonal work during the long winter months. In many cases both farm wives and farm husbands worked off-the-farm locally, in some instances the wives had locally-available jobs while the husbands migrated to urban centers to work during the winter months.

In contrast, organic farmers in Niigata and Yamagata Prefectures had formed collective enterprises such as vegetable pickling operations, sticky-rice cake production facilities, organic rice and bottled organic fruit and vegetable juice dealerships, or organic food stores, so they were economically self-sufficient year-around. As their collectively-owned enterprises grew, they were able to offer employment opportunities to area residents, thus helping to revitalize economically-depressed communities.<sup>11</sup>

It was when the rural surplus labor pool showed signs of drying up in the early 1960s, that the Japanese government adopted an agricultural policy based on vastly increased imports of U.S. agricultural surplus, abandoning the vast majority of farm households unable to survive on farming income alone. Once agriculture failed to generate a sufficient pool of cheap labor and thus became a financial burden, Japanese capitalism concentrated on creating an effective strategy to entice farmers to enter the industrial labor force.

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<sup>11</sup> I talked with the clerk at an organic food store collectively-owned by four organic farm families in Niigata, a woman in her early-fifties. She told me that she had worked on the assembly line at a local Sony subcontracting firm for twelve years, and that she had lost her job there the previous spring due to labor cutbacks. She said, “They gave me my severance check which amounted to two months’ pay, and that was that. I didn’t know what to do. I’m glad I found this job. The pay is better and the working conditions are much better. I hope the shop will be a success.”

She told me that with both of her children off to college and her husband working as a *dekasegi* (migrant worker) at a *sake* brewery near Tokyo during the five off-season months, she felt very lonely, and enjoyed being able to get out of the house, meet and talk with the customers, and make money at the same time. She added that she never looked forward to going to work when she was at the factory, saying that she was always under pressure to keep up with the pace of the line and never had time enough to talk with the women working next to her.

The solution was found to be industrial decentralization, and Prime Minister Tanaka Kakuei's plan to "Remodel the Archipelago" was enthusiastically implemented. This national development plan was promoted as a means to revitalize depressed rural areas by creating an infrastructure of roads and railways and increasing the tax base of rural communities; raise the standard of living of rural residents, including farm families; and decrease air and water pollution in major urban areas by relocating many of the offending factories to the countryside. Whatever the intentions, the plan simultaneously defused the anti-pollution citizen's movement and provided the industrial sector access to areas with an attractive business investment climate: people willing to work for low wages for small, non-union subcontracting firms, and communities willing to compete for business investment by offering lucrative tax breaks.

The advanced capitalist nations jointly implemented an international currency realignment in late 1985, forcing down the value of the over-valued U.S. dollar. Within two years, the yen-dollar exchange rate had changed from 240 yen to the dollar, to 120 yen to the dollar. The Japanese manufacturing sector, overly-dependent on the export market, was forced to cut production costs, either through domestic labor rationalization schemes or by relocating their production operations abroad. The hardest hit were the small Japanese subcontracting firms; many of them were forced to close (Moore 1990:171-190).<sup>12</sup>

The closings in recent years of so many of these subcontractors' production facilities in rural areas has forced many of the remaining farmers to consult with each other to assess their situation, and work out a "survival strategy" of their own, independent of government or corporate "largess." Their plight has contributed to the growth of the organic farming movement in recent years.

Although many of the small firms tied to the export sector in Japan have been devastated by the "strong yen," Japan's costs for imported goods decreased substantially (although the savings were seldom passed on to Japanese consumers), and Japanese capitalists went on a buying spree, including investments in agricultural production and processing facilities overseas. In July 1990, for example, Kyotaru Company acquired Best Western Foods of Los Angeles for \$41.5 million. Best Western Foods, a meat packing company that specializes in processed beef, supplies half the beef used by the nation's Arby's restaurant franchises (Partner 1992:12).

Yaohan, another example, is a major Japanese supermarket chain that has recently expanded its operations worldwide (Partner 1992:198). Simon Partner, a business consultant specializing in Japanese business investments in the United States, speaks in glowing terms of Yaohan's business acumen (Partner 1992:199):

Opened by the Yaohan chain of Japan, the Yaohan Mall in Edgewater, New Jersey is a sparkling clean cluster of modernistic buildings looking out across the Hudson River toward the glittering towers of Manhattan. The mall includes a full-sized supermarket, its shelves crammed with Japanese imported food, rice cakes, soy sauce, pickles, dried fish, and a host of other delicacies and everyday items. On a typical Saturday, the aisles are packed with Oriental families piling groceries high on their carts. The average sale at Yaohan is said to be in excess

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<sup>12</sup> With most of the remaining farm families dependent on the income obtained from working for subcontracting companies located in rural areas, the latest development in monopoly capital's global realignment of markets and adjustments in the international division of labor does not bode well for their future economic security.

of \$90. Yaohan is owned by a Japanese grocery store chain that had the vision to invest in a giant facility in the United States. The company's maverick owners believe passionately in the globalization of their business, so much so that they recently moved their headquarters from Japan to Hong Kong. But though the expertise and flavor of the store are Japanese, Yaohan entered into a partnership with American property developers to get them through the hurdles of local real estate development. These developers in turn had the foresight to devote their resources to this enormously successful development.

Supermarket chains such as Yaohan, the major Japanese trading firms, and the food processing and marketing firms in Japan, have much to gain by the liberalization of agricultural imports into Japan. The "maverick" owners of Yaohan are not alone in envisioning the profits to be made from the global restructuring of agricultural products marketing. Partner provides a listing of the largest Japanese companies in the food industry (1990:230-231):

<u>Company</u>	<u>Annual Sales</u>
Taiyo Fishery	\$8.3 billion
Snow Brand Milk Products	\$7.2 billion
Nippon Meat Packers	\$4.6 billion
Nippon Suisan Kaisha (seafoods)	\$4.2 billion
Ajinomoto	\$4.1 billion
Itohan Foods	\$3.2 billion
Meiji Milk Products	\$3.1 billion
Yamazaki Baking	\$3.1 billion
Nisshin Flour Milling	\$2.8 billion
Morinaga Milk Industry	\$2.6 billion

Excluded from this list are the major Japanese general trading companies (*sôgô shôsha*) such as Mitsubishi, Mitsui and Toyo Menka, Sumitomo, C. Itoh, Nissho-Iwai, Nichimen and Sanwa, and Marubeni-Fuyo, that are heavily involved in the agricultural industry in Japan. These general trading companies, having interlocking directorships with literally hundreds of smaller member companies in their respective groups (companies such as those that appear in Partner's list above), handle half of Japan's entire volume of exports and imports (Steven 1983:47-53).

In the agricultural sector, these huge companies are involved in the production of inputs, such as machinery and agrichemicals; in the production process itself with, for example, poultry and pig production in Japan, Taiwan, and Thailand, cattle ranching in Australia, banana plantations in the Philippines, large-scale efforts to grow corn in Indonesia, along with agribusiness ventures in sugar, coffee, pineapples, palms, chestnuts, and oranges in countries such as Brazil, Honduras, the U.S., and Spain; and in the processing, distribution, and marketing of agricultural products worldwide.<sup>13</sup>

<sup>13</sup> Yoshino and Lifson (1986) note that Mitsui bought grain elevators in Montana and Oregon as early as 1969; acquired grain elevators in Illinois to purchase soybeans and corn; and with the knowledge that 60% of the total U.S. grain export is shipped from the Gulf of Mexico, bought Cook Industries, a major U.S. commodity trader for \$55 million in the early-1980s (Yoshino and Lifson 1986:249-250). Mitsui thus took over most of Cook Industries' former grain business and extensive facilities along the Mississippi River, gaining direct access to the Gulf of Mexico (Yoshino and Lifson 1986:75). Mitsui was thereby able to become a full-fledged international grain-trading company, and other Japanese *Sôgô Shôsha* have followed Mitsui's lead by purchasing U.S. grain elevators (Yoshino and Lifson 1986:250).

### *Vertical Integration of the Agricultural Sector*

Since the end of World War Two, the Japanese government has been structured to accommodate even more closely than before the war the interests of major corporations (Fukui 1970; Kolko and Kolko 1972). A large share of the Japanese farm market is controlled by monopoly capital, and if *Nôkyô* (Association of Agricultural Cooperatives), which is actually a major corporation concerned with capital accumulation is included, monopoly capital's control of the farm market is almost complete (Steven 1983:118-120; Moore 1990:137-169).

All sectors supplying agricultural inputs, as well as the food processing sector, are dominated by major corporations. In addition, most agricultural imports are controlled by the *zaibatsu* trading companies<sup>14</sup> such as Mitsui Bussan and Mitsubishi Shôji, and these giant holding companies with their complex networks of subsidiaries and affiliates, and their linkages of intercorporate stockholdings, interlocking directorates, personnel transfers, and bank credit are not only taking over various supermarket chains and entering overseas agribusiness ventures, they profit from the control of ever increasing exports of agricultural inputs.

Table 5 shows the quantity and value of agricultural inputs exported from Japan in 1992 (primarily to other Asian countries) to be substantial. With a shrinking farm sector in Japan, the input manufacturers are targeting export markets in Third World countries. Several organic farmers in Japan told me that when they visited organic farmers in countries such as the Philippines, Malaysia, and Thailand, they were surprised to find Japanese-made inorganic fertilizers, agri-chemicals, and farm machinery being sold for much less than they would have had to pay for the same items in Japan. They saw this as further proof that the Japanese government has no interest in the financial difficulties facing Japanese farmers.

Vertical integration in agriculture, common to all advanced capitalist countries, has advanced at a rapid pace in Japan in the past three decades. Farmers have been employed as

TABLE 5. EXPORT OF AGRICULTURAL INPUTS: 1992

Item	Quantity	Value (million yen)
Feed (metric tons)	50,036	12,258
Inorganic Fertilizers (1,000 metric tons)	4,597	21,291
Agro-Chemicals (metric tons)	21,881	33,974
Agricultural Machinery(number)	146,437	84,445

*Source:* Japan Tariff Association. Japan Exports and Imports. 1993:71

<sup>14</sup> Although the two largest *zaibatsu*, Mitsubishi and Mitsui were supposedly broken up into 200 and 139 smaller business enterprises, respectively, by the dissolution efforts of the U.S. Occupation Forces, Mitsubishi had completely regrouped by 1954 and Mitsui had reemerged stronger than ever by the late-1950s. (Yoshino and Lifson 1986:24-26).

The six major postwar *zaibatsu* (Mitsubishi, Mitsui, C. Itoh, Marubeni, Sumitomo, and Nissho-Iwai) have been efficiently reorganized as vertically-integrated joint stock companies, often referred to as *Sôgô Shôsha*, or trading companies. The designation is misleading because in addition to trade, they are directly engaged in raw materials acquisition, mining, commodity trading, manufacturing, banking, insurance, agricultural production, distribution, and retail sales.

Yoshino and Lifson, citing a 1974 Japan Fair Trade Commission study, find the six largest *Sôgô Shôsha* holding stocks in 5,390 companies (1986:29), and being the largest stock-holders in 1,057 of these companies.

TABLE 6. INCREASE IN SCALE OF LIVESTOCK PRODUCTION (Number of animals owned per household)

Year	Dairy Cattle	Beef Cattle	Pigs	Hens	Broilers
1965	3.4	1.3	5.7	27	892
1970	5.9	2.0	14.3	70	3,049
1975	11.2	3.9	34.4	229	7,596
1981	19.8	6.5	79.4	650	15,800
1985	25.	8.7	129.1	1,037	21,400
1991	34.6	12.6	314.9	13,911	28,100

Source: MAFF and JICA (Japan International Cooperation Agency). "Japanese Foods, Agriculture, and Rural Areas." 1993:14

wage laborers in livestock and dairy production, and more recently in fruit and vegetable production as well. Since 1970, the *zaibatsu* trading companies have entered into agribusiness ventures in which they have set up chicken and pig rearing factories, feeding them with imported feeds, antibiotics, and growth hormones that they have either obtained from overseas sources or produced themselves. Bernier notes that 71.4% of the total production of chicken in Japan as early as 1970 was controlled by the four trading companies mentioned above (1988:87). Local farmers are hired as full-time managers at these factory-style operations (Bernier 1988:87). Yet again, another example of the dirty, demanding, and dangerous (to one's health) jobs that farmers are offered on a take it or leave it basis; often the job of last resort is taken by the person who has no choice.

Table 6 shows the increase in scale in the production of livestock in Japan between 1965 and 1991; Table 7 shows that spending on processed foods has reached a point where it accounts for nearly half of all family expenditure on food. Taken together, they illustrate the extent to which the corporate sector has penetrated into the provision of food in Japan. Japan's Ministry of Agriculture, Forestry, and Fisheries' figures indicate that 3,090 companies have entered into agricultural production ventures of varying descriptions as of February 1990 (MAFF and JICA joint publication: "Japanese Foods, Agriculture, and Rural Areas." 1992: 15).

The increasing control of monopoly capital over agricultural production has further weakened the competitive position of farmers in Japan, forcing many of them to seek wage employment. Ironically, many of these farmers end up working for the very companies that forced them out of farming, either by working as poultry or pig factory "managers," or at one of the huge food processing factories nearby. In addition, as previously noted, with the insistence on Japanese agricultural import liberalization, the nation's food self-sufficiency rate for overall foodstuffs, including feed grains, dropped to an astonishingly low 29% in 1991; its' caloric self-sufficiency stood at 46% (MAFF: 1992:14). This is the lowest food self-sufficiency

TABLE 7. INCREASING EXPENDITURE ON PROCESSED FOODS AND DINING OUT

Year	Rice	Perishable Foods	Processed Foods	Dining Out	Total Cost
1965	17.6%	30.8%	44.4%	7.2%	¥232,305
1970	12.1%	33.2%	44.8%	9.9%	¥346,145
1975	8.6%	33.3%	46.7%	11.3%	¥649,887
1980	8.1%	31.6%	46.5%	13.8%	¥867,393
1985	7.9%	30.1%	46.9%	15.1%	¥957,528
1990	6.1%	28.8%	48.7%	16.4%	¥1,030,125

Source: Annual Survey Report on Household Spending. General Affairs Agency 1991

TABLE 8. FARM HOUSEHOLD ECONOMY

(Unit: 1,000 yen)

Item	1975	1980	1985	1991
Agricultural Gross Income	2,080	2,420	2,896	3,012
Agricultural Expenditures	935	1,467	1,831	1,892
Agricultural Net Income	1,145	953	1,065	1,120
Off-Farm Net Income	2,268	3,563	4,437	5,714
Living Expenditure	2,650	3,942	4,701	5,415
Debt	849	1,646	2,334	2,331

Source: MAFF Abstract of Statistics. 1993:11-15.

rate among all advanced capitalist countries, and clearly contradicts U.S. claims that Japan maintains protectionist policies concerning agricultural trade.

Clearly, agriculture as production of food in a capitalist society must be conceptualized as having three basic stages: provision of farm inputs, farming, and farm product processing and marketing. The involvement of the non-farm sector is of long standing and has increased steadily in the postwar period. Beginning with the American Occupation in 1945, there has been a substantial expansion in the provision of inputs such as agri-chemicals<sup>15</sup> and farm machinery, and the finance necessary to pay for ever increasing amounts of such inputs.

Government agricultural policies have encouraged Japanese farmers to increase their capital investments as a means of survival. Following government directives has led to increasing farm foreclosures and the incorporation of the "part-time survival strategy" in common use by the remaining farmers. Between 1960 and 1985, the cost for farming inputs increased 14 times while farm income rose only five times (Ohno 1988:26). Although most farmers realized that it may be irrational to continue buying the new machines and "improved" pesticides, they did so in order to have the time to work full-time off the farm. These "labor-saving" innovations actually forced them to work two jobs at the same time. The cost of agricultural inputs, the financing available for major purchases, and the value of commodity sales through contracting and market controls are not determined by the farmers; it is through these means that surplus value from the commodities which farmers produce can be extracted. This is done through the manipulation of markets and exchange value rather than through control of the land itself. Thus the dominant forces of production in agriculture are not restricted to the farming sector, but increasingly have been rooted outside this sector. Table 8 reveals that after farm input costs are deducted from the gross income from farming, farming income's contribution to a farming household's living expenses is less than twenty percent.

<sup>15</sup> As Huddle, Reich, and Stiskin note: "Following the [American] introduction into Japan of BHC (benzene hexachloride) and DDT (dichloro-diphenyl-trichloro-ethane) in 1945, their growth grew exponentially .... [and] ... production of agricultural chemicals increased twentyfold by 1955..." (Huddle, Norie and Michael Reich with Nahum Stiskin. *Island of Dreams: Environmental Crisis in Japan*. Autumn Press: Tokyo. 1975:182).

Confident that "modern" agricultural techniques utilizing agri-chemicals would eventually prevail in Japan, a SCAP report, although greatly underestimating the growth in the use of pesticides in Japan, glowingly states: "During 1949, 5,324 tons of imported BHC dust ..., 2,120 tons of 2.5% DDT dust, and 500 tons of 20% DDT emulsion were distributed to farmers.... Other promising new insecticides imported through courtesy donations from manufacturers in the United States for testing include chlordane, toxaphene, and parathion.... The Japanese Government and farmers are becoming increasingly aware of the need for more effective control of insects and diseases affecting agricultural crops. As the awareness increases, the quantities of pesticides used will increase. Within the next 10 years farmer usage of these materials probably will be at least twice as great as the current level" (SCAP Natural Resources Section Report No. 148. 1951:49-50).

### *Conclusion*

Quite understandably, the course of agricultural transformation in postwar Japan has not always been a consensual process. However, the inability of Japanese farmers in the postwar period to secure major social change in their benefit may be attributed at least as much to their contradictory class positions, as property-owners and subjects of exploitation, further complicated by their partial status as wage laborers, and to their political beliefs, inculcated through the dominant culture's institutions. In part, this may explain why farmers have so readily accepted state policies that would lead to rural community degeneration and away from viably engaging in farming on a full-time basis. Thus, the successful manipulation of the farm vote through pork-barrel politics and rural development schemes during most of the postwar period by the Liberal Democratic Party (LDP) politicians can only partially account for the relative complacency until recently of Japan's rural residents.

I have shown the important role that the United States government and U.S. corporate interests have played in helping to engineer the postwar agricultural debacle in Japan. The Japanese government and Japanese monopoly capital were the other major players that worked hand-in-hand with their U.S. counterparts to set up the military alliance needed to justify Japanese remilitarization and the maintenance of U.S. military bases in Japan; negotiate mutually-beneficial trade relations that would contribute immeasurably to economic growth in both countries; and further their progress in establishing a Japan-U.S. "co-prosperity sphere" in the Western Pacific. That Japanese farming families were ultimately sacrificed to achieve these objectives is clear.

However, Japanese farmers themselves have at long last awakened to the fact that they have been manipulated in a variety of ways by the powerholders in both countries. Although 2,430,000 farm families were driven off their land in the postwar period, more than 3,700,000 farm families have managed against all the odds to retain their land. The continuing presence of so many smallholders on the land is a feature unique to Japan; it is found in no other advanced capitalist society.

The most recent agricultural liberalization measures implemented by the Japanese government with dairy products and meat, and the planned incremental increase in the import of rice, are the proverbial straw that broke the camel's back. The rise of the organic farming movement in Japan has been a major grassroots-initiated response to deleterious governmental agricultural policies that negatively affected both consumers and farmers. Organic farmers throughout Japan have allied themselves with various grassroots-based citizens' groups to initiate innovative actions that have led to a rethinking of cultural values and social assumptions, and a process of creating new social relations (see Moen 1997). Rural residents are, for example, taking action to oppose Tokyo-designed rural development projects and implement locally-inspired alternatives; support local initiatives by organic farmers' groups to innovatively revitalize regional economies; and, they no longer tolerate political office holders who continue to act in the interests of Tokyo-based businesses and political power holders. Firmly embedded within the Japanese organic farming movement is the presence of New Left

influences and the Japan Communist Party (JCP).<sup>16</sup> The political landscape in Japan's countryside is now starting to undergo a major upheaval in which the conservative past is being transformed into a progressive future.<sup>17</sup>

WASEDA UNIVERSITY AND HITOTSUBASHI UNIVERSITY

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<sup>16</sup> Declaring its independence from both the Soviet and Chinese Communist Parties in the early-1960s, and advocating a parliamentary road to participatory democracy, by 1972, the JCP had emerged as the second largest opposition party in the Lower House of the Diet with 38 representatives seated. Its national daily newspaper enjoys a circulation of over 3.5 million, and the party continues to obtain 8% to 10% of the popular vote in national elections.

The JCP is the only political party in Japan that maintains a distinct presence at the local level throughout the nation, and which works closely with grassroots-based organizations representing a diversity of the nation's populace with a wide range of interests. It is this JCP connection to a large variety of grassroots-based citizens' groups located in every corner of the nation that points to the possibility of uniting social movement activists with a nationally well-organized political party committed to social transformation.

The Japan Communist Party has more representatives seated on prefectural, municipal, city, and village assemblies than any other political party. With 4,413 elected representatives (as of April 1999) spread throughout the nation at all levels of Japanese society, the citizenry is well-aware of the JCP presence, and many Japanese are familiar with the party's policy stance on various issues, national and international, as well as local.

Since the JCP plays an integral role in the organic farming movement in Japan and the grassroots-initiated endeavor to transform Japanese society, it is important to keep in mind that it bears no resemblance to the peripheralized or delegitimized communist parties found elsewhere; it is a dynamic and creative political party that is experiencing increasing popular support as it clearly emerges as the only remaining truly opposition party in Japan.

Unlike communist parties elsewhere, the JCP strongly supports smallholder family farms and small and medium-sized businesses. The JCP has an influential presence in all aspects of the organic farming movement in Japan. Its strong support of the movement is reflected in the party's agricultural policy papers that call for a strengthening of grassroots-initiated and decentralized direct-marketing structures between organic and low-input farmers and local consumers.

<sup>17</sup> See my Ph.D. Dissertation: *The Emergent Culture of the Japanese Organic Farming Movement and its Implications for Political Economy*. University of Wisconsin-Madison University Microfilms: Ann Arbor, Michigan. 1995.

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