

AGRICULTURAL LAND REFORM IN POSTWAR JAPAN : EXPERIENCES AND ISSUES*

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1 Introduction

Just after the Second World War, a drastic agricultural land reform was implemented in Japan. This reform has been considered as one of the most successful project in the history of agrarian reforms in the world. General MacArthur, who ordered the reform as the Supreme Commander of the Allied Powers, praised himself for the success in his letter to Japanese Prime Minister Yoshida, mentioned "...the most successful land reform program in history."¹ Even incisive critics of MacArthur had to admit that the land reform was the most successful achievement in his occupation policy (Dore, 1960, p.175). In fact, the reform was implemented drastically and completely. Landlords, who dominated the rural society in prewar Japan, disappeared by the reform. The experience in Japan was a rare exception, as most attempts of compulsory land reform in the third world brought unsatisfactory results.

The land reform brought more equal distribution of assets to the members of rural society. Income distribution in rural society was, thus, largely equalized by the reform. Gini coefficient of the income distribution among the population in local towns in a prewar

¹ A letter of Gen. MacArthur to Prime Minister Yoshida on 21 October 1949 (Reprinted in NKSS, 1982, Vol.14, pp.689-90).

period was around 0.5, which declined to 0.35 after the reform.² A class structure based on land holding status was demolished by the reform. The landlords lost their economic and political supremacy and the rural society was restructured. These social and political changes contributed to the democratization of the rural society. Land tenancy disputes, which were norm in the prewar period, were ceased and the rural population became the most royal supporters of the ruling conservative party throughout the postwar period. As pointed out by Dore (1959), the reform broke with old customs and traditions. In this context, the land reform in Japan was a very successful reform, which had a great impact on the political and social stability of postwar Japanese society.

Then a question will arise. What kind of impact was given to the economic activities in the rural area, especially to the agricultural production? According to a widely recognized view among policy makers and academics in Japan, the reform gave a new incentive to former tenant farmers, which contributed to the rapid growth of Japanese agriculture since the mid 1950s. However, little studies have presented empirical evidences that support this stereotype. Most of the past studies discussed the impacts of the reform without separating out political and economic issues. How was the agrarian structure changed by the reform? What kind of economic and political issues are raised, solved and remained intact by the reform?

The purposes of this paper are to explore the political and economic motivation of the reform, underlying conditions, which enabled the drastic reform, and to identify economic issues, which were inoculated by the drastic reform, while tracing the process of the reform chronologically. A typology of land reform and a brief discussion on characteristics of the land reform in Japan is presented in sections 2 and 3. Then, the land tenure system in the prewar period will be documented in detail in sections 4 and 5.

² Gini coefficient of income distribution over local towns and villages was estimated to be 0.45 to 0.55 in 1937 (Minami, 1994, p.194). In the postwar period the coefficient decreased to 0.35 on the national average (Mizoguchi, 1995, p.67-9).

Section 6 describes the process of the land reform and its results. Economic issues of the reform are discussed in Section 7 as a concluding remark.

2 Typology of agricultural land reform

2.1 What is land reform?

Though there is no general agreement on the definition of agricultural land reform, under a non-communist setting, “a [land] reform is an institutional innovation promoted by the ruling order in an attempt to overcome economic or political contradictions without changing the dominant social relations. ...” (de Janvry 1981, pp.384-5). A reform under a communist setting took a drastic form of revolution, intended to destroy the social and economic structure. In a broad sense, land reform is a political action that seek to achieve or to prevent the change of agrarian structure on farmland, which consequently brings the changes of class structure and the political control on states. Property or cultivating right on farmland is transferred either through compulsory measures or through market transaction with some promotional measures.

Land reforms inevitably, but not necessarily, bring the change of production structure of agriculture, i.e., a mode of production. A mode of production is a whole system for farming including its institutions, such as land tenure system and the style of farm management. A land reform program, for example, the dismantlement of collective or state owned farms and large plantations into small owner farmers affects not only the distribution of wealth and income, but also the choice of commodities produced and the technologies adopted by farms. Furthermore, it will induce the change of marketing institutions of farm produce and inputs, the structure of labor markets and the governance of farms. The forms and functions of rural organizations would be modified.

Though land reforms could bring various changes at political, economic and social dimensions, some reform programs might be implemented only for political objectives, such as to attain social stability through the redistribution of land assets, while other

program might aim to encourage agricultural production by providing land titles and thus economic incentives to tenants or farm laborers. Whatever the intention, a reform for political motivation inevitably impacts on the economic conditions of agricultural sector either positively or negatively. A politically successful reform might hamper the wholesome growth of the agricultural sector, because the welfare among farmers and efficiency of agriculture are often contradictory policy targets. A reform for economic motivation may result in unexpected political consequences. Because, an economically successful reform may aggravate income distribution among the rural population. Therefore, when we evaluate a land reform program, we should identify its objectives. Is it political reform? Or, is it economic reform? Or, both? Then we should review the consequences of the reform from political and economic aspects, respectively.

2.2 Types of land reform

In order to clarify the type of land reform in terms of impacts on the mode of agricultural production, we may draw a 4 by 4 matrix as shown in Table 2-1a. The modes of production in agriculture can be divided into three categories; market economy; socialist and semi-feudal. The market economy is a mode of agricultural production observed widely in the Western nations, as well as in most developing economies under capitalism. The resources for agricultural production, land, labor and other inputs are traded at market guided by price mechanism, though they may not always function well. We may further distinguish two sub-modes in the market economy; peasantry and commercial. Under peasantry, major mode of production relies on small sized family farms that mainly produce food crops for their own consumption and the surplus, if available, is sold at the market. However, the concept of peasants who allocate resources for subsistence without regard to price signals (Chayanov 1926, Wharton 1969) does not apply to the peasants in this mode. In the modern world, even in villages remote from urban centers, they are integrated with the market economy to the extent that market prices determine their farming decisions, just as of made by modern entrepreneurs. In this respect, it may be hard to differentiate peasantry mode of farm production from that in

commercial farms. However, peasantry still retains self-sufficient nature in their farm production and decisions on which crops should be planted is decided in relation to its household activities, while commercial farms determine their farm operation solely in response to the markets. Farmland is nothing more than one of the resources for farm production for commercial farms. On the other hand, for peasants, especially those who in densely populated areas such as in Southeast Asia, farmland is not only a production input but also a place of living, which has been succeeded from generation to generation.

The semi-feudal is a mode dominated by estates with bonded labor controlled by traditional landlords. Under this mode, large estate farmers or plantations have overwhelming power to coerce other community members socially and politically (Scaffner 1995). Under this mode, though the farms are integrated with the market economy in the sense that the farming decisions are made in response to the products market as done by commercial farms in a market economy, but the input markets, such as land and labor, are governed by non-market mechanism. The socialist is a mode that farm production is done by collectively under the instruction of authorities without referring price mechanism. Farmland is owned by collective farms or states.

Now, a typology of land reform by mode of agricultural production can be constructed as a 4 by 4 matrix, which describe the changes of the production structure before and after land reform (Table 2-1a).³ In this matrix, there are 16 types of land reforms, though some of them may be unrealistic, such as any changes from market economies to semi-feudal in the column 3. These changes are shown in italic. Diagonal element in the matrix seems to be meaningless too, since there is no change in the production mode before and after the reform. However, they are still important in interpreting the past reform program, as a reform of land tenure system dose not always bring the change in the mode of production. This point will be discussed in detail later in this paper.

³ The basic idea of the typology matrix draws on de Janvry (1981a; 1981b, Chapter 6).

In general, the land reform under non-socialist settings is characterized by the redistribution of land property rights, which intends to create and preserve a social class of independent owner farmers, who could be a stabilizing bloc of rural society. Two variations are considered under this category. First is the change from peasantry to peasantry (1.1) $Mp \rightarrow Mp$ or from peasantry to commercial (1.2) $Mp \rightarrow Mc$, in which the redistribution of land property rights is limited among landlords and tenants. These reform may be called as Asian Model (Hayami *et al.* 1990, p.5). In the Asian Model, the property rights on land are transferred from landlords to the cultivators of the soil through either compulsory acquisition/release by the government or through market transaction with the policy measures, which promote the transfer of the property rights.

In the case of peasantry to peasantry (1.1) $Mp \rightarrow Mp$ reforms, there is no change in the production structure of agriculture itself. Tenant farmers become owner farmers without apparent changes in their operational sizes and their management system. The land reform program can be designed to adjust the production structure of agriculture from traditional peasantry farming to modern commercial farming. In this case the reform takes the case of from peasantry to commercial (1.2) $Mp \rightarrow Mc$. Or $Mp \rightarrow Mp$ type reforms may be designed with prospects on the future modernization, $Mp \rightarrow Mp \rightarrow Mc$. As will be discussed in the later section of this paper, the land reform done in Japan after the Second World War was a typical peasantry to peasantry (1.1) $Mp \rightarrow Mp$ reform, which did not have any prospect on the modernization of peasantry farming, which caused severe agricultural adjustment problems in Japanese agriculture in the later years. Therefore, it is important in the Asian model to draw a distinction between “peasantry to peasantry” (1.1) and “peasantry to commercial” (1.2).

Another variation is a reform called Latin American model. It includes the transformation of semi-feudal estates with bonded labor into capitalist estates with hired labor, *conservative model*; further into land owning family farms, *liberal model* (3.2) $F \rightarrow Mc$; or free peasants, *populist model* (3.1) $F \rightarrow Mp$. Even more radically, it may intend to reconstruct the global social system, *radical model* (3.4) $F \rightarrow S$ (de Janvry 1981).

On the other hand, the land reform under socialist setting can be distinguished two directions. One is the reform under socialist revolution, while another one is the reform under transition economies. The reform under socialist revolution abolish land property rights and confiscate the land from landlords or land owning peasants and consolidate into collective or state owned farms, (1.4) $Mp \rightarrow S$ or (3.4) $F \rightarrow S$. In transitional economies, land reform takes an opposite direction, (4.1) $S \rightarrow Mp$ or (4.2) $S \rightarrow Mc$. Collective or states owned farms are dismantled and the land is returned to former landowners or distributed to farm workers. These types of the reform can be called as *transitional economy model*.

While omitting unrealistic changes of the reform, the matrix in Table 2-1a can be simplified into a 3x3 matrix as presented in Table 2-1b, in which four types of land reform model are shown. It is clear that most of the land reform models inevitably bring drastic change in the mode of production in agriculture. Large estates and plantations, or collective farms are dismantled into small owner operated farms in Latin American and transitional economy models. Thus, the reform will give significant impacts on the productivity of agriculture either positively or negatively. On the other hand, the Asian model does not bring the substantial change of the production mode, though the land tenure relationship can be modified drastically. It is exactly applied to Japanese land reform. In the following sections, let us examine how the reform was implemented and what kind of consequences was brought by the reform on Japanese agriculture.

3 Characteristics of the Japanese land reform

3.1 The political motivation of the reform

The postwar land reform in Japan was a program done along with the distribution of property rights on land to tillers, which is categorized into an Asian model. This drastic reform which has been considered as one of the most successful reform, was implemented just after World War II. When the Japanese land reform program was designed, a strong

brief had circulated among policy makers in the Japanese government, as well as those in SCAP (Supreme Commander for the Allied Powers), that conceived landlordism as a source of multitudinous evils, which might only be corrected by establishing owner farmers. This view is clearly reflected in a MacArthur's statement, the Supreme Commander for the Allied Powers. When the land reform bill passed at the Japanese Diet on 11 October 1946, MacArthur commented in his press release;

“...one of the most important milestones yet by Japan in the creation of an economically stable and politically democratic society. It marks the beginning of the end of an outmoded agricultural system ... These can be no firmer foundation for a sound and moderate democracy and no firmer bulwark against the pressure of an extreme philosophy.”⁴

Japanese land reform was a great success in terms of the political motivation. As will be discussed in detail in later sections, through the drastic reform, both tenant farmers and landlords almost disappeared and most of the community members in rural society became owner farmers, which brought more equal assets and income distributions among the rural population. The reform broke with old customs and traditions, and many beneficial effects on farm production have come about through its indirect effects in changing the whole tenor of village life (Dore 1959, p.218). The reform, thus, contributed to the democratization and social and political stability in postwar Japan. In fact, a conservative Liberal Democratic Party, which was supported by the rural population, was able to retain dominance in the Diet and remained the ruling party for nearly 40 years following the reform. In this respect, the land reform in Japan as a program for political motivation sufficiently achieved its political objective. Then, are there any economic motivation and what kind of economic impacts were given by the reform?

⁴ NKSS (1982, Vol. 14 p.445).

3.2 The reform as an industrial policy?

When SCAP ordered Japanese government to implement a land reform at the very early stage of occupation, they pointed out that “intense overcrowding of land” was one of the pernicious ills of Japanese agriculture.⁵ However, the executed land reform program itself did not include any measure to change the production structure of agriculture, i.e. operational farmland size of farm households. They even did not intend to include any mechanism to correct overcrowding of land, though they clearly recognized the issue. Atcheson, who was a political adviser of MacArthur, wrote,

“The most important single causes of the unsatisfactory conditions prevailing in Japanese agriculture is overcrowding on the land. ... The only real solution to the problem would be the absorption of literally millions of farm workers in industrial occupations.”⁶

Instead, the reform focused on equalizing the wealth of rural society through the redistribution of farmland ownership and the elimination of tenants and landlords. Atcheson also commented on his report submitted to the U. S. government that the land reform program could not improve the small farm size in Japanese agriculture.

At that time, they had been a discussion on the appropriate farm size and the efficiency of farm production. They were concerned about to create large numbers of extremely small owner farmers, which might hamper possible improvement of agricultural productivity. However, unfortunately, such discussion was often used for the opposition of the reform and therefore could not be accepted politically. We should also note that little machinery was used in farm production at the time and therefore there was little scale merit under the constant return to scale. Since no strong economies of scale were revealed, the small size of farm units was not so disadvantageous in terms of productivity (Hayami and Kawagoe 1989). Due to political, coupled with this technological reason,

⁵ NKSS (1982, Vol. 14, pp.114-6). Memorandum SCAPIN-411 (Rural Land Reform).

⁶ NKSS (1982, Vol. 14, pp.80-1). The Atcheon-Feary Memorandum on 26 October 1945.

the economic motivation on future agricultural growth was ignored and only political motivation was explored at the reform.

3.3 Why was the reform implemented so completely?

As we discussed above, the land reform in Japan has been considered as one of the most successful project in the history of agrarian reforms. It was a reform along with well-publicized slogan, "land to tillers", and thus the term "successful" should be interpreted with their political motivation. It has been pointed out that an important factor of the drastic success was the existence of superior power of the SCAP, which had strong intention to correct the agrarian structure. ⁷

Though the presence of the SCAP was the necessary condition, but it was not the sufficient condition. There were several pre-conditions, which enabled the country to accomplish the reform. They were;

- 1) after the Land Tax Revision in the nineteenth century, the accurate record on land ownership had been accumulated;
- 2) land tenure conditions were well surveyed and the tight social structure of Japanese villages enabled them to identify tenancy relations;
- 3) a reformative group in the government tackled on the land tenure problems already in the prewar period, so that many specialists were available at the central, as well as local level, including Tenancy Officers;
- 4) there were also a large number of well-educated people, who could engage in a huge amount of operational works, because other job opportunities were rather limited owing to the devastation caused by the war;
- 5) the landlords' political and economic power was already undermined due to various regulations during the war; and

⁷ Walinsky 1977, p.94; Tuma 1965, p.136

- 6) there was a favorable political situation, since the power and confidence of ruling elite were diminished through defeat and occupation by foreign forces.

None of these underlying conditions should be omitted for radical reform. If there were no third party records on land title and tenancy relationship, which identified current landowners and tenants on a land, the program of compulsory purchase and selling could not be implemented effectively. Without the mobilization of sufficient human resources, the huge and complicated project could not be managed. If conservative groups, who represented landlords benefit, retained political power, the reform could not be completed. Finally, without the presence of SCAP, the reform could not be pursued so completely. The success of the reform could be attained as these conditions were satisfied (Kawagoe 1993b).

4 Land tenancy system in prewar Japan

Before the World War Second, landlordism was norm in the rural society. Small tenant farmers occupied nearly one third of farm producers. Landlords (Jinushi), who owned nearly half of the farmland, had overwhelming power in the rural communities. The House of Peers represented the landlords and any attempts to improve tenantry status in exchange for landlords' benefit had been obstructed. On the other hand, the farmland was cultivated by 5.5 million peasantry households, which shouldered Japanese agriculture. One third of them were tenant cultivators (kosaku), who did not own their land but rented small plots from the landlords. They had to pay nearly half of products to the landlords as land rent. Poverty in rural areas was the root cause of social unrest in prewar Japan, until the drastic land reform was executed.

4.1 Prewar Japanese agriculture

Although the government in the Meiji period (c1868 - 1911) was keen for industrialization, agriculture remained to be a major economic sector in the prewar period. The primary industry accounted for about 70 percent of the labor force and for about 40

percent of the Net Domestic Product in 1880 (Hayami *et al.*, 1991, p.14). Japanese agriculture has been traditionally shouldered by the peasantry, comprised of a large number of small family farms. Labor was relatively abundant and land was the major constraint on agricultural production. In 1880, about 15 million labors worked on the 4.7 million hectares of cultivated land (Table 4-1). The man-land ratio was as high as 3.1 workers per hectare, which was even unfavorable, when compared with the densely populated economies of Southeast Asia today. Efforts to agricultural development were, thus, geared to facilitating the substitution of labor for land. Labor intensive farm operations coupled with bio-chemical and seed improvement technologies had been sought and intensive irrigated rice culture was developed.

This characteristic, inherited from the Tokugawa period (the seventeenth to the mid-nineteenth century), has retained and has been strengthened over the period of modern economic growth following the Meiji Restoration in 1868. Throughout the prewar period, the number of farms in Japan remained roughly constant at a level of 5.5 million households. About 6 million hectares of land was directed to agricultural use, including nearly 5 million hectares of the cultivated land. Half of the cultivated land was wet paddy fields, while the rest was cultivated under upland conditions. Accordingly, the average operational land area per farm household had been very small of around 1 hectare (See Table 4-1).

In spite of severe land constraints, agricultural output grew at the annual compound rate of about 1.6 percent in the late-19th century, which was accelerated to 2.0 percent at the beginning of the twentieth century until the 1920s (Hayami *et al.*, 1991, pp.15-9). This development was supported by well-installed infrastructure, such as public agricultural research and extension system, which was established by the end of the nineteenth century. The development of the industrial sector capable of supplying fertilizer and chemicals also supported the agricultural growth. Gross output from rice production occupied 55 percent of the total farm output in 1880. Though the share of rice

in the total output gradually declined to 40 percent in 1940, rice continued to be dominant in Japanese agriculture throughout the prewar period (Table 4-2).

Until shortly after the Restoration, the self-sufficiency of rice had been maintained. Soon, rapid population growth, coupled with increased consumption per capita, forced the country to import rice from abroad. In the 1870s, annual per capita consumption was about 100 kg of milled rice, which increased to 130 to 150 kg by the end of the 19th century and reached a peak at 170 kg by the mid-1910s.⁸ Annual average population growth rate in the prewar period (1885 - 1940) was 1.2 percent, while that in the later half of the Tokugawa period (1730 - 1872) was 0.02 percent. Accordingly, the share of imported rice gradually increased from around 1 percent of the total consumption in the late-nineteenth century to around 10 percent in the 1930s (Kawagoe 1995).

4.2 The evolution of landlordism

During the Tokugawa period, the country was administrated by the Tokugawa Shogunate and numerous numbers of *daimyo* (provincial feudal lords). Their financial basis largely rested on rice tax levied in kind on the farmers.⁹ In principle, peasants were directly attached to their *daimyo* and bound to their land. Landlord-tenant relations were prohibited. Later, with the development of seed fertilizer technologies, intensive cultivation based on small family farm became more efficient than large farms with attached labor (Smith 1959, pp.104-7). Thus, *de facto* landlord-tenant system was developed between legal peasants and attached laborers. This process was accelerated when the land tax system shifted from variable levies based on the crop yield assessments

⁸ We should also note that rice was the most important staple in Japanese diet. In the early 1930s 61 percent of daily intake of calories and 44 percent of daily intake of protein came from rice (Data source: Kayo, 1977, Tables J-c-3 and J-c-4).

⁹ The political and military power of a *daimyo* was measured by taxable capacity of rice, called *kokudaka*, obtained from their domains. Each *daimyo* had own army who lived in the castle town. Although the Tokugawa Shogunate had some power to control the *daimyo*, each *daimyo* retained sovereignty in their domains.

(*kemi*) to the fixed levy in kind (*kyomen*) in the mid-eighteenth century. The *daimyo* became less eager to enforce the tenancy regulations since then (Hayami *et al.*, 1991, pp.61-3). By the end of the Tokugawa period, landlord-tenant system was extensively adopted in the advanced area, such as in Western Japan, where about 30 percent of the land were cultivated by tenant farmers.

After the Meiji Restoration, the Japanese government attempted to catch up with the Western nations through the development of modern industries (*shokusan kogyo*). However, agriculture was the most important and nearly only source of the national revenue in the early Meiji period. Under the feudal tax in kind, the government revenue inevitably varied with the fluctuations in rice prices. In order to make secure basis of the revenue, Land Tax Revision project was implemented in 1873. The government conducted a nation wide survey, which identified the owner and productivity of lands. It took 9 years to complete the survey, and cost the government almost full year's revenue (Tobata and Ohkawa 1956, Chap. 8).

By the Land Tax Revision the rice tax in kind was replaced by a modern land tax based on the land value.¹⁰

The revision involved a nationwide survey for ascertaining the land area, price and land ownership. A certificate of land titles (*Chiken*) was issued to the *de facto* landowner. Thus, formal property right of land ownership was given to land owners, who had paid the feudal land tax. However, traditional tenantry rights were neglected. The landlords' status was legally authorized and the basis of landlordism in the Meiji period was thus enhanced. At the same time, as intended by the government, the financial basis of the Meiji government was enhanced and stabilized. Until income tax system was introduced in 1888, Land Tax and tariff were only sources of direct tax, and the Land Tax had occupied the dominant share among them throughout the nineteenth century. For instance, the land

¹⁰ The burden of the tax on farm land was as high as up to 40 percent of the gross value added, which was almost comparable to the tax rate during the Tokugawa period (Nishikawa 1985, pp. 175-6).

tax occupied 85 percent of total tax revenue in 1875, though which was gradually decreased, still occupied 35 percent in 1900 (Table 4-3).

4.3 Japanese landlords

Japanese landlords discussed here were not huge land owners of several thousand hectares of farmland as imagined in the literal sense of the word "landlord". Most of them were owners of small plots of farmland. Therefore, in this paper the term "landlord" implies a owner of farmland who rent out all or some of their land and does not carry negative connotation. Accordingly, " landlordism" simply implies a society where land tenancy was norm.

Just after the Meiji Restoration of 1868, the share of tenanted land was 30 percent of total arable land, which had gradually increased to around 45 percent at the beginning of the twentieth century and further increased to nearly 50 percent in the 1930s (Table 4-4). Due to the heavy burden of the land tax fixed in cash, coupled with small size of land holdings, small owner farmers often unable to pay the tax in years of poor harvests or low farm prices. They were obliged to borrow money from merchants and money lenders, and they often lost their land through foreclosure. This tendency accelerated during the Matsukata deflation in the 1880s, which brought a drastic decline in farm prices (Hayami *et al.* 1991, p.65). Around 6 million hectares of farmland was owned by 5 million landowners. The landowners comprised landlords and owner farmers. Though the data on the land owners during the prewar period is limited, according to a survey conducted by MAF in 1935, half of the 5 million land owners had only less than 0.5 hectares of farm land (Table 4-5).

In order to facilitate the discussion, we will classify the owners of farmland into several categories (Figure 4-1). First, owners of farmland can be divided into "farmers" and "non-farmers". Farmers who lease out some portion of their land, while cultivating the rest of it, may be called "farming landlords". Non-farmers, i.e., landowners who do not engage in farming themselves may be called "non-farming landlords". These non-

farming landlords are further divided into "absentee landlords" and "village landlords". Absentee landlords are landowners, who do not reside in or near the village where their farmland is located.¹¹ Now let us examine the characteristics of landlords by this category.

(1) Farming landlords

Farming landlords were farmers who rent out some portion of their owned farmland, while engaging in farming by themselves. Although little data is left on farming landlords, we can roughly figure out their characteristics from a survey data of Special Agricultural Census, which was conducted by Ministry of Agriculture in 1947. This survey is the only nation wide data available on farming landlords in the prewar period. Among 2.4 million farm households in the main islands,¹² nearly 1,3 million farms, or one fifth of total farm households, were recorded as farming landlords (Table 4-6). Around 1.1 million out of 4.1 million hectares, or 28%, of farm land owned by farmers was rent out by farming landlords (See Table 4-4). Average rent out land area per household was as small as only 0.84 hectare on the average. It was less than the size of an average farm. Furthermore, 63 percent of them rent out less than 0.5 hectare of farmland (Table 4-6). We should also note that 17% of farmers whose operation is very small of less than 0.5 hectare still rent out their land. When owner farmers could not manage whole owned farmland due to the shortage of family labor force, such as by the retirement of family members, they often rent out some portion of their land. In this case they are recorded as farming landlords in statistics. Judging from these figures, we can imagine that many of the farming landlords were upper class owner farmers who supplemented their income by leasing a small plot of additional land. But is also true that small farmers with limited labor capacity were included in farming landlords. In this sense, the economic and social status of farming

¹¹ We should note that more rigorous definition was give at the legislation of the land reform, which will be discussed in section 6.

¹² Excluding Hokkaido island, where extensive farming was practiced and of its larger operations is not comparable to those in the main islands.

landlords should not be so different from owner farmers. Therefore, it is not meaningful to distinguish farming landlords from owner farmers.

(2) Non-Farming landlords

Non-farming landlords are land owners who rent out their farmland but were not engaged in farming. In this sense, they may be regarded as typical "landlords". However, we should use a term "landlord" with caution. As described below, most of non-farming landlords in Japan were small land owners and were different from the literal sense of the word "landlord".

Unfortunately, national level statistics do not tell us much about non-farming landlords. No comprehensive survey was conducted on landlords, except a series of surveys on large landowners of more than 50 hectares.¹³ Therefore, it is uncertain how many non-farming landlords there had been during the prewar period. However, if we subtract the number of land owning farmers from the total number of landowners, we can estimate very rough figure of non-farming landlords. Number of non-farming landlords in 1938 by size of land holdings is estimated in Table 4-7. Among 5 million landowners, around 1 million households were considered as non-farming landlords.¹⁴ The non-farming landlords who owned more than 5 hectares were only 13 percent of them. On the contrary, nearly half of them owned less than 0.5 hectares of farmland. A striking feature of Japanese landlords is the existence of a large number of small sized landowners.

The non-farming landlords may be divided into village landlords and absentee landlords. Village landlords are non-farming landlords residing in villages. Some of them

¹³ Strictly speaking, these surveys refer 50 cho, not 50 hectares. Since 1 cho equals to 0.99174 hectare, we use "hectare" instead of "cho" in the categorization of farm sizes. However, the data on tables are adjusted while applying the above conversion rate of 0.99174.

¹⁴ We should note, however, this estimate is somehow overestimated, because a land owner, whose lands were scattered in different villages, might appear as a different owner in each village, as the survey was conducted by local authorities and the figures were simply summed up to provincial or national level aggregations.

were large land owners, who could draw sufficient income from land rent which allowed them to devote to politics, to money lending activities or to hobbies. As will discuss in the below, there were not so many landowners, who classified into this category. There were also small village landlords who had other primary source of income, such as village officials, shopkeepers, doctors, or priests (Dore 1959, pp.23-5).

Absentee landlords are landowners who do not reside in or near the village where their land is located, but reside in towns or urban cities. This type of landlords may be regarded as real landlords, who held social and political supremacy of a kind implied by the literal sense of the word "landlord" in English. However, such kind of landlords was rare exception in Japan. Most of the absentee landlords in Japan were small landowners. They were the kinds of farmers' sons who had left for non-farm jobs but retained the family land by inheritance, or merchants and moneylenders from near-by towns, who acquired the land through foreclosure or seizure.

Although there is little data, which describe the size distribution of smaller absentee landlords, according to the survey of June 1941, there were 20,940 absentee landlords who owned more than 5 hectares of farmland. And their owned land area was about 181,000 hectares (Table 4-8). They were only 2 % of non-farming landlords. In other words, 98 % of non-farming landlords rent out less than 5 hectares of farmland. Judging from the fact that 6.5 hectares of paddy field of medium quality was necessary in 1936 in order to secure the same income from land rents as the salary of an urban civil servant or teacher (Dore 1959, p.29), most non-farming landlords were small land owners, who had other primary sources of income and land rent was only complement of their household income.

As far as large landlords, who owned more than 50 hectares of farmland, we can identify their profile in detail. Although 50 hectares of land holding may be below standard among the farms not only in the North America, but also in Europe. However, they should be sufficiently large in Asian peasantry economies under rice culture. In 1934

and 1938, Ministry of Agriculture surveyed large landlords and presented reports, to Tenancy System Research Committee.¹⁵

According to the survey in 1938, large landlords with more than 50 hectares were only 2,500 households, excluding Hokkaido (Table 4-9).¹⁶ Among them nearly 70 percent owned less than 100 hectares and only 15 owners were recorded who held more than 1,000 hectares of farmland. The landlords include both village and absentees, of which 35 percent answered as their occupation was farming (Table 4-10).

During the early Meiji period, large farming landlords, including wealthy farmers called *gono*, played an important role in agricultural development. They introduced new technology and invested in the infrastructure, such as drainage and irrigation schemes. They took the initiative of organizing agricultural discussion society (*nodan-kai*), in which information on new technology and new varieties were exchanged. They were proud of acting as village leaders and of patronizing peasants. However, by the beginning of the twentieth century, these progressive and paternalistic landlords disappeared and they became more parasitic by acting as sheer rentier (Tobata 1947, pp.68-70).

4.4 Japanese peasantry

Farms in Japan were traditionally operated as family farms, mainly relied on their family labor. About 30 percent of farmers were tenant farmers, who owned little land but operated on rented land. Another 30 percent were owner cultivators, while remaining 40 percent was owner cum tenant farmers, who cultivated both owned and tenanted land

¹⁵ Ministry of Agriculture, *Survey on large landlord of more than 50 hectares* (50 chobu ijyo no daijinushi ni kansuru chosa), 1934; *Survey on large landlord who own more than 50 hectares of farm land* (50 chobu ijyo no kochi wo shoyusuru daijinishi ni kansuru chosa), 1938.

¹⁶ Although 663 landlords were recorded in Hokkaido, the land ownership of 50 hectares there can not be comparable with other regions as a source of income, since extensive agriculture was practiced in Hokkaido and the whole scale of operation is larger than that in the rest of Japan.

(Table 4-11).¹⁷ Most of the tenant farmers were very small. One third of them cultivated less than 0.3 hectares, and moreover, they had to pay nearly half of the farm produce as land rent to landlords. In wet paddy field, land rent was mostly fixed amount of harvests, paid in kind with possible year-by-year reduction depend on the harvests. For example, in the mid 1930s, when 3.5 tons of brown rice was produced per hectare of paddy field, about 1.7 ton of rice was paid to landlords as land rent. Small farm size and heavy burden of the land rent were major source of poverty of tenant farmers in prewar Japan.

On the contrary, average operational farm size per household was larger in owner cum tenants than that in owner farmers. Owner cum tenant farmers are basically owner farmers who leased in additional farm land for their larger farm operation, when they had sufficient labor force or entrepreneurial ability to manage larger area. This fact suggests that rental market of farmland functioned well and owner farmers could expand their operation through the market. Data on Table 4-12 indicate that not only small farmers, but also middle or relatively large farmers extensively leased in the land for their operation.

We should also note the fact that land holdings of Japanese peasantry were divided into many parcels of small plots of 0.06 hectares on an average. After centuries of land exchange, trade, and succession, scattered land holdings were inevitable. Hence, farmers, often and for sheer convenience of cultivation, leased out some of their owned land in more distant areas and leased in more conveniently located land of other farmers for their own cultivation. Many farmers were, thus, to be characterized as both landlords and tenants. Furthermore, owner farmers might be little differentiated from tenant farmers in

¹⁷ In 1940, Ministry of Agriculture defined the type of farmers in terms of their land ownership and operations. They are categorized into owner, owner cum tenant, tenant cum owner, and tenant farmers. Owner is a farmer who own more than 90 percent of the operated land. Owner cum tenant is a farmer who own more than 50 percent but less than 90 percent of the operated land. Tenant cum owner is a farmer who own less than 50 percent but more than 10 percent of the operated land. Tenant is a farmer who own less than 10 percent of the operated land.

terms of their farm operation, since half of them owned less than 0.5 hectare (see Table4-7).

5 Decline of the landlordism

5.1 Agricultural Crisis and land tenancy disputes

During the inter-war period rapid decline of farm prices attacked the rural society, especially poor tenant farmers. Agricultural crisis resulted in social unrest and conflicts. Land tenancy disputes were common phenomenon throughout the 1920s and 1930s.

During the 1920s farm prices were depressed, due to the postwar recession, coupled with a deflationary policy of the government. It was aggravated by the competition with rice in-flowed from Korea and Taiwan. On the other hand, the wage rates of the non-farm sectors, as well as the farm wage rate, began to rise since the 1920s, while the tenants' labor income was not improved. The frequency of tenancy disputes, claiming for rent reduction, especially in years of bad harvest, increased rapidly (Table 5-1). Local tenant unions were organized and collective actions, comprised of 70 to 80 tenant farmers, were taken against landlords. These disputes, of which primary target was rent reduction, were concentrated in relatively industrialized areas in Central Japan, where parasitic landlords were prevailing. There, many landlords were urban dwellers whose concern was land rent but not to take part in farming, while tenant farmers were deeply involved in non-farming economic activities. In the 1920s, when non-farm, thus farm, wage rates began to rise. However, tenant farmers' labor share was not adjusted promptly. The major cause of the disputes is considered as an adjustment process of the labors' share of tenant farmers towards the increased wage rates.

The disputes in the 1930s took different forms and induced by different economic conditions. Just after the return to the gold standard in 1930 at prewar parity, Japanese economy was severely surged over by a great wave of the Depression. The farm prices and the farm income were sharply depressed, resulted in a serious agricultural crisis.

Although the farm prices already declined more than 20 percent during the later 1920s, they further dropped by 30 percent during successive two years in 1930 and 1931. Even worse, the decline in the farm prices was steeper than the fall of the consumers' prices (Table 5-2).

Unemployment in industrial sectors aggravated the income of part-time farmers. Farm income, especially of tenants, decreased sharply from 1,413 yen per household in 1925 to 994 yen in 1929 and further dropped to 442 yen in 1931. This resulted in further increase of land tenancy disputes, which were mainly caused by landlords' attempts to evict tenants from the land, because the depression and increase in unemployment compelled small non-farming landlords to get back land for their own cultivation. The disputes were widely spread over Northern Japan, where more paternalistic landlords were existing. As contrasted with the organized collective actions in the 1920s, the disputes in the 1930s were arisen in more individually between small landowners and tenant farmers (See Table 5-1). This was due partly to the suppression of left-wing activities and due partly to the tightened social structure under the slogans of national emergency, as the China War in the Asian Continent went on. Large-scale labor disputes had been suppressed under these political and social environments.

5.2 Early attempt: market based land reform

When the social unrest was growing in rural society, there was a reformist group in the Ministry of Agriculture and Commerce (MAC), which thought tenants' rights had to be more, protected. Since the 1920s they had attempted to solve the tenancy problems in order to remove the root cause of the disputes. In 1920 a consultative body, Tenancy System Research Committee, was set up under MAC. The Committee prepared a report for drafting a tenancy law, which, by the standard of the times, was extremely favorable to tenants. The report proposed various articles which enhance tenants' right, such as "tenancy title should be recognized as a property right (article 1)", and "should be

transferable (article 10)", etc.¹⁸ However, the proposal was hard to realize by the opposition of conservatives, who joined with landlords in preventing any radical reforms against their interests (Dore 1959, pp.80-5, 106-12).

Instead, two indirect and modest measures were taken by the government. The first measure was the enactment of the Land Tenancy Conciliation Law of 1924, which was designed to mediate voluntarily submitted tenancy disputes by local courts and Conciliation Committees. Tenancy officers were also appointed in each prefecture to advise and assist the committee. Although it did not much improve the situation, tenants' interests were, to some extent, protected under this law (Saito 1989, pp.312-3). The second measure was the enhancement of the Owner Farmers Establishment Rule of 1926, which intended to transform tenants into owner farmers. In 1920 a credit program was introduced for tenants who could get credit through farmer' cooperatives for the purchase of farmland. In 1926 this scheme was enlarged and offered loans at 4.8 percent interest, in which 1.3 percent was subsidized by the government, to be repaid over twenty-five years, if tenants wished to purchase land for cultivation. The government planned to transfer about 112,000 hectares of the tenanted land into owner cultivated land under this scheme. This target was well achieved, since 114,000 hectares were transferred from 1926 to 1937 (Table 5-3).

5.3 The war time regulation

On the progress of the war in China, various economic regulations were introduced and gradually strengthened under growing totalitarianism. The economic basis of the landlord was gradually undermined and their political and economic superiority was declined.

Since the end of the 1930s, domestic food market has gradually tightened. Both food import and domestic production gradually declined, owing to the shortage of raw materials and labor force for agricultural production. On the progress of the war,

¹⁸ NKTG (1977, p.83).

situation aggravated. The country continuously imported rice from Korea and Taiwan. However, when a severe drought hit Korea and western Japan in 1939, the import from Korea was stopped, which was the beginning of serious food shortage over a decade.

The primary policy target was to promote agricultural production so as to secure the food self-sufficiency. In order to encourage the food production, especially of rice, the government successively adopted various regulations on agriculture under the increasing totalitarian control of domestic affairs. The National Mobilization Law was enacted in 1938, which enabled the government to mobilize physical and human resources for the implementation of war by orders.

(1) Land policies

The land tenancy system was not an exception on regulations. It was a good chance for the reformist group in the MAC to seek agrarian reform under the slogan of enhanced food production. The Farmland Adjustment Law was enacted in 1938, as the first step of the regulation, which allowed the local governments and village authorities to take the initiative in establishing owner farmers by suggesting to landlords to sell their land. Compulsory purchase was also allowed by the local authorities, if the land is uncultivated. The tenancy title was recognized as a property right, which was to be remained intact even after the change of ownership of the land. The landlords' rights to evict the tenants or to terminate the tenancy contract were slightly restricted.

A provision of the Land Tenancy Conciliation Law of 1924 was enhanced such that the tenancy officers were allowed to submit the disputes to the court for compulsory mediation. The Farmland Committee was set up in each village and prefecture as a coordinating body of various lands related issues (Ouchi 1960, p.270; NKTG, pp.92-3; Dore 1959, pp.109-10). Although this law was not far sufficient to secure the tenants' interests, it was a slight advance in the coming land reform.

In 1939 the Land Rent Control Order was issued under the National Mobilization Law. This order was one of the anti-inflationary measures taken in the same year, which

covered a wide range of commodity prices. The Rent Control Order imposed a freeze on rents at their 1939 level. The order also allowed local governments to order rent reduction when necessary. In fact, until 1943, rental rates of the land of about 330,000 hectares were reduced by the orders of local authorities under this ordinance (Ouchi 1960, p.271). As the second step, land prices were also frozen by the Land Price Control Order issued in 1941. The order imposed fixed prices on farmland at 1939 level, calculated based on the rent value (the basis of land tax assessment) multiplied by a locally determined fixed rate.¹⁹

The land ownership was further restricted by successive regulations. The Land Control Order was issued in the same year, in which conversion or trade of farmland for non-agricultural purposes was stipulated to be subject to the approval of local authorities. The government or local authorities were allowed to order the crop to be planted in order to secure maximum production of the most important crops. Although these regulations were imposed to sustain the farm production, they functioned as de facto tenancy law, which strengthened the tenants' status, while restricting the landlords' interests.

(2) Food Policies

Another attack to the landlords came from food policies. On the progress of the war, food shortage in the country had worsened. In 1942 the Food Control Law was enacted and whole marketing process including the pricing of staple foods were directly controlled by the government. Number of commodities under rationing was quickly increased. The most important crop under food policies was rice. The government had to procure sufficient rice for maintaining rationing program. Farm producers were, thus, ordered to sell all the produce to the government, except the reserved amounts for their own consumption, which was restricted to 4 *go* (=574 gram) of rice per day per adult.

¹⁹ The land price under control was 6,329 yen per hectare for paddy land and 3,763 yen/ha for upland on the average.

Important point is the same rule was applied to landlords. In the prewar period, land rent was usually paid in kind to landlords. Under this law, the rent in kind was, except the portion of landlords' own consumption, ordered to deliver directly to the government by tenants. Then a remaining rent equivalent value of cash was paid to landlords.

During the 1940s it was getting harder and harder to secure the maximum deliveries of rice. Price had to be raised to give an incentive to producers for sustainable production. However, price increase contradicted with anti-inflationary policy. Thus the Ministry of Agriculture adopted an intricate measure, which gave a subsidy to farm producers, while the rice price itself was unchanged. Farm producers could receive the subsidy for the amounts delivered to the government. Besides this, the subsidy was also given for the portion of land rent, if it was delivered by tenant farmers to the government. Then the tenants were allowed to pay the land rent in cash on the basis of rice price, excluding the subsidy. When this scheme was first introduced in 1941, the subsidy was 5 yen per koku (= 150 kilogram of brown rice) and the rice price was 44 yen/koku. Thus effective producers' price was rice price plus subsidy, 49 yen, while the landlords received price was remained as the official rice price of 44 yen.

The subsidiary level was gradually raised and thus the producers price was increased to 62.5 yen in 1943 and to 92.5 yen in 1945, which was further increased to 300 yen when the war ended. On the other hand, rice price, i.e. landlords received price, was raised only slightly during this period (Table 5-4). The gap between the price received by landlords and tenants were widened. Despite the government's efforts, an inflationary tendency was prevailing during the war. Compared with wholesale price index for all commodities, producers price of rice kept up the same pace, while the landlords price was drastically suppressed in a real term.²⁰

²⁰ From 1940 to 1946, consumer price index in rural areas and the producers' price increased 1,216 percent and 689 percent respectively, while the landlords' price increased only 70 percent.

Through these regulations on the land market coupled with food price policies, the economic power of the landlords had been undermined. By the end of the war in 1945, land was not an attractive source of income for landlords.

6 Agricultural land reform in Japan

After the devastation caused by the war, the country faced starvation. Import had been stopped and domestic agricultural production was critically exhausted. The government had to overcome severe food shortage in the country. Under the situation, drastic land reform was executed from 1946 to 1950 under strong guidance of the SCAP.

6.1 Legislation of the reform

Just after the war, Japan Ministry of Agriculture independently designed an outline of the reform, when the Occupation Forces had not yet taken any clear stance on the reform. This outline was approved by the Cabinet (22nd Nov. 1945), and the (first) Land Reform Bill²¹ was prepared as a revision of the Farmland Adjustment Law of 1938. The bill contained three main provisions, which are;

- 1) compulsory transfer of all land owned by absentee landlords and all tenanted land of other land owners, whose individual holding exceeded 5 hectares;
- 2) replacement of traditional land rent in kind to equivalent cash rent, calculated on the basis of landlords rice price. This implied substantial reduction of the rent level, since the landlords price was considerably lower than the producers price; and
- 3) reorganization of the Farmland Committees.

²¹ Among the researchers and policy makers in Japan, a reform under this bill, though which was never implemented, has been called “the first land reform”, while the actually executed one is called as “the second land reform”.

This bill was proposed to the Diet on the 4th of December 1945. But it was nearly talked out due to the obstinate resistance by conservatives. However, on the 9th of December 1945, the SCAP addressed a memorandum and ordered the Japanese government to prepare plans for an agrarian reform, stated of its objective as,

“In order ... [to] remove economic obstacles to the revival and strengthening of democratic tendencies, establish respect for the dignity of men, and destroy the economic bondage which has enslaved the Japanese farmer to centuries of feudal oppression, ...The purpose of this order is to exterminate those pernicious ills which have long blighted the agrarian structure of the land where almost half the population is engaged in husbandry.”

SCAP also pointed out a number of pernicious ills blighted the agrarian structure, which are;

- 1) intense overcrowding of land;
- 2) widespread tenancy under conditions highly unfavorable to tenants;
- 3) a heavy burden of farm indebtedness combined with high rates of interest on farm loans;
- 4) government fiscal policies which discriminate against agriculture in favor of industry and trade; and
- 5) authoritative government control over farmers and farm organizations without regard for farmer interests (SCAP/SCAPIN-411).²²

The Japanese government was then ordered to submit a program of rural land reform, which contained the measures to insure a more equitable transfer of farmland from non-operators to cultivators, and to protect new landowners against reversion to tenantry. The points suggested by SCAP in some sense well described the issues in prewar Japanese agriculture. Many farm operations were very small, so that their income was low. Legal

²² Reprinted in NKSS (1982, Vol. 14, pp.114-6). See also Hewes (1950, pp.741-3).

status of tenants were insecure. During the Great Depression, the indebtedness of farm households was a social problem. However, it is ironical that in spite of the clear recognition of these "pernicious ills", the ordered land reform program, compulsory transfer of land property rights to cultivators, did not a solution for some of these problems.

It is not clear whether the purpose of the memorandum was to help the Japanese government to pass the bill in the Diet, however, whatever its intentions, the Diet was frightened and resignedly passed the bill into law (Dore 1959, pp.133-5). However, the SCAP considered the land reform bill included many deficiencies and did not approve. For example, only 900,000 hectares of tenanted land owned by 100,000 landlords was subject to the compulsory transfer, since the village landlords whose holdings were larger than 5 hectares per person were rare. The definition of absentee landlord was not clear, which might enable many of them to evade from this category. Discussions continued between the SCAP and the Ministry of Agriculture and the first plan was gradually elaborated and a drastic land reform plan came out. The revised plan, called second land reform plan in Japan was comprised of amendment of the Farmland Adjustment Law of 1938 and enactment of the Owner farmer Establishment Special Measures Law.

These bills were passed through the first Diet on the 11th of October 1946 without any modification. In the same day, MacArthur addressed a short statement, commenting the bill;

“..the Land Reform Bill is one of the most important milestones yet reached by Japan in the creation of an economically stable and politically democratic society...”,
and closed it by a following passage;

“There can be no firmer foundation for a sound and moderate democracy and no firmer bulwark against the pressure of an extreme philosophy” (NKSS 14, p.445).

Quite drastic measures of land reform were embodied in these laws. Main provisions were summarized as follows.²³

(1) Compulsory purchase of land

All farmland owned by absentee landlords was to be subject to the compulsory purchase by the government. The term "absentee landlord" was more rigorously defined. Any landowner, who did not reside in the same village of the leased out land, was regarded as absentees. Therefore, farming landlords' leased out land, extended into neighboring villages, was regarded as the land owned by absentees. All tenanted land of village landlords in excess of 1 hectare (4 hectares in Hokkaido prefecture) was also subject to the compulsory purchase. Owner cultivated land in excess of 3 hectares (12 hectares in Hokkaido) was to be purchased, if their cultivation was judged to be inefficient in terms of land productivity. These limits were to be applied per household basis.

(2) The purchase condition

(a) The purchase price

The purchase price was the same as that in the first Land Reform Law, which was calculated by multiplying the rental value by a fixed factor. The rental value was an officially determined figure used for taxation purposes, which was about 20 yen/tan²⁴ for paddy land and 10 yen/tan for upland, which was settled in 1938. The fixed factor was calculated as the ratio of the land value to a capitalized land rent, imputed from typical owner farmers operation at 1945 price level. Thus the factor was determined to be 40 for paddy land and 48 for upland. The purchase price was to be about 760 yen/tan and 450 yen/tan, respectively in paddy land and upland. The additional bonus payment was made to the landowners for first 3 hectares (12 hectares in Hokkaido), which was 220 yen/tan

²³ NKTG, pp.128-30; Dore 1959, Chapter 6; Hewes 1950, pp.761-75.

²⁴ "tan" is an unit of area and 0.1 cho or 0.099174 hectare.

for paddy land and 130 yen/tan for upland. These purchase prices were extremely low when the purchase was done due to the rapid inflation of postwar disarray.

(b) The payment condition

The payment to landlords was to be made in National Bonds bearing an interest of 3.6 percent and redeemable within 30 years. The purchase price of tenants was the same as the landlords selling price. Payments could be made in cash or in annual installments within 30 years at 3.2 percent of interest.

(3) The Land Committees

The Land Committees were set up at three levels, Village (or Town), Prefecture and Central Land Committees. Ten members of a Village Land Committee were elected separately by three different groups, 5 from tenants, 3 from landlords and 2 from owner farmers. Purchase plan was to be drawn by Village Land Committees with the approval of the Prefecture Land Committee and purchased directly by the government. The date of the 23rd of November 1945 was taken as the base of the purchase plan, when the first land reform plan was press released.

(4) Other regulations

Besides the provisions above, various regulations were introduced to control tenancy relations and the tenants rights could be extremely enhanced. For instance, all rents were to be paid in cash and the level was frozen. Tenancy contracts could not be terminated nor refused for renewal without assent by the Land Committee.

6.2 Execution

The Land Reform Law was hard to execute, since that “involved changes in the property rights of some 6 million families of whom over 2 million had every motive for trying to obstruct its purposes” (Dore 1959, p.149). More than 400,000 persons were engaged in the execution of the program. Just after the enactment of the Law, 16,781

personnel were involved in this program (Hewes 1950, p.792-6). The program, however, required the employment of a considerable number of personnel in both national and prefecture level. Fortunately, there were fairly well trained individuals in the Ministry of Agriculture and at the prefecture level, such as Tenancy Officers, who were specialists of tenancy problem appointed under the tenancy program based on the Land Tenancy Conciliation Law of 1924 (Tobata 1966, pp.309-11).

By the beginning of 1947, 415,000 persons were mobilized, including 32,000 secretaries of the Committees and 116,000 committee members. The figure also included about 260,000 assistant staff for the Committees, who worked for the program without pay (NKTG, pp.156-7). The total costs of the program reached more than 1 billion yen during the first three years from 1946 to 1948, of which about 60 percent were used for the operation, while the rest represented institutional costs.

As the first step of the execution of the program, members of the Village Land Committees were elected in December 1946 and those of at the prefecture level in February 1947. As the Occupation Forces ordered that the reform had to be accomplished within two years, the first compulsory purchase was done in March 1947, just after the elections of the committees. The purchase was successively executed over ten times and 1,630,000 hectares of the farmland was acquired by the government by the end of 1948. The acquired land was immediately sold to cultivators.

During the period, the land price paid to landlords, fixed in 1945 price level, was reduced to a negligible level in the process of rapid inflation. In fact, prices of consumer goods in black markets in Tokyo increased about eight times from October 1945 to the middle of 1949 (Bank of Japan 1949, p.178). The price of good paddy land of 1 tan (=0.099 hectares) in 1939 was equivalent to over 3,000 packages of cigarettes or 31 tons of coal. In 1948, however, it was equivalent to only 13 packages of cigarettes or 0.24 tons of coal. On the other hand, the inflation enabled the tenants to pay up within a year or two of their purchase.

6.3 Results

Through the five years drastic reform, most of the farmland under tenancy came to cultivators' hands. Before the reform in 1941, nearly half of the farmland was cultivated by tenant farmers (Table 6-1). Ownership of these lands was drastically transferred to former cultivators of the land. When the land reform was almost accomplished in 1949, 13 percent was remained as tenanted land. It further declined into only 9 percent of the farmland in 1955. Accordingly, number of owner cultivators increased from 31 percent in 1941 to 70 percent in 1955 and tenant farmers, who did not own little farmland, decreased drastically from 28 percent to only 4 percent during the same period (Table 6-2). Number of tenant cum owner farmers, whose land ownership was less than half of their total cultivating area, were also decreased from 20 percent to 5 percent. On the other hand, the absentee landlords were disappeared, since 80 to 90 percent of their land, estimated to be about 560,000 hectares, was transferred (NKTG, 1951, p.783). About 70 to 80 percent or over 1 million hectares of the leased out or own cultivated land by village landlords was also transferred. Thus the landlordism in Japanese agriculture was abolished.

By the latter 1948, Japanese policy makers began to talk of the termination of the reform, as the transfer of farmland was near complete. The SCAP, however, expressed the concern about this move (NKSS, 1982, Vol. 14, pp.687-9). On the 21st of October 1949, MacArthur sent a letter to Yoshida, the Prime Minister of Japan, stated;

“...the most successful land reform program in history. ... The benefits of the reform must become a permanent part of the texture of Japanese rural society. Any possibility of a gradual reversion in the land tenure system as it existed before the reform must be forestalled” (NKSS 1982, Vol.14, pp.689-91).

In order to maintain the results of the reform, the Japanese government proposed the amendment of the Owner-farmer Establishment Special Measures Law of 1945, but it was talked out in the Diet. Then the government issued the Order No. 307 (the order on the sale of farmland, to which the Owner-farmer Establishment Special Measures Law and the

Farmland Adjustment Law should be applied) in 1950 as a temporary measure until the Agricultural Land Law was enacted.

6.4 Agricultural land law

In order to secure the results of the land reform and prevent the revival of landlordism, Agricultural Land Law (*Nochi ho*) was enacted in 1952. In this context, the law inherently had defensive and negative natures, characterized by its strong owner farmer orientation, which envisaged farmland should be owned by its cultivator (Kato 1967). The Law was not a new one, but the Owner-farmer Establishment Special Measures Law, the Farmland Adjustment Law and the Order No. 307 of 1950 were comprehensively compiled into this law.

The Agricultural Land Law strictly controlled the markets on farmland. Transactions of farmland were subject to the assent of the local authorities. Landlords were not allowed to sell their leased out land to anyone other than their tenants, which meant if the land was under tenancy, only possible buyer was the cultivator. The legal maximum on the farmland holdings was set to 3 hectares (12 hectares in Hokkaido). Land could be traded at market prices, unless the purchaser's land holdings exceed the limits. However, only farmers, who were cultivating more than 0.3 hectares of farmland (2 hectares in Hokkaido), were allowed to purchase. Corporation was not allowed to own farmland. Land rent was also strictly controlled at a very low level.

Tenancy rights were so heavily protected, it was almost impossible for landowners to evict tenants from their cultivating land. Absentee ownership was not allowed, though village landlords were allowed to hold up to 1 hectare of tenanted land. Therefore, if village landlords moved to outside the village, their leased out land was regarded as the absentees and became subject of compulsory purchase. Land ownership and use, thus, has been frozen in the state in which it emerged from the land reform (Dore 1959, p.198). The strict control on farmland market under the Agricultural Land Law was imposed to

freeze the mode of agricultural production, which later became a major impediment for the structural adjustment of Japanese agriculture (Kawagoe 1993b).

7 Concluding remarks

The land reform in postwar Japan was a drastic and completely implemented program, of which targets were nearly achieved. The land reform brought more equal assets and income distributions among the members of rural society, which contributed to the democratization and social and political stability in the postwar era. A class structure based on land holding status was demolished. The landlords lost their economic and political supremacy and the rural society was restructured. The rural population became the most loyal supporters of the ruling conservative party throughout the postwar period. In this sense, the land reform in Japan was a politically successful reform. However, we should note that the drastic reform could be done as many economic and political background conditions were satisfied. Presence of the supremacy of SCAP was a critical necessary condition for the reform, but it was not the sufficient condition.

While accepting the social and political benefits of the reform, then, what kind of economic impacts were given to agriculture? More specifically;

- (1) What sort of impact was given on the mode of agricultural production?
- (2) How and what extent the reform contributed to the growth of agriculture in the postwar period?

The second issue will be more specifically settled. What extent the reform contributed the improvement of labor productivity, through (i) direct incentives induced among the former tenant farmers, who could obtain their own land, or (ii) increased investment to agriculture?

Another important issue is concerned on the impacts on the whole economy.

(3) As the reform changed income distribution in rural society, it might induce new demand on various commodities, which sustained or supported the recovery and growth of the economy as a whole.

These issues will be important empirical questions to be investigated. Since it beyond the scope of this paper to present rigorous answers on all of these issues, only brief comments are given for further study.

In terms of the issue (1), the answer seems to be straightforward. The land reform program itself contained little future perspective on the mode of production. Land ownership was transferred from landlords to tillers of the soil. Thus small tenant farmers became small owner cultivators, without any apparent change of farm size. After the reform, operational farm size was even declined on an average from 1.09 hectares in 1941 to 0.99 hectares in 1955. The production structure of traditional agriculture since prewar period remained.

The issue (2) is rather controversial. Positive answers were given on this issue by most economists and political scientists, although there were little empirical studies that support the assertion along with this line. An observation that the farm production increased at relatively high rate during the postwar period may be contributed to this type of preconception. Positive impacts of the reform on the growth were often stressed, as they considered that the reform induced farm investment and more intensive operations through fresh incentives given to former tenants who acquired the land ownership.²⁵ However, empirical studies obtained negative answers on the issue (Kaneda 1980, Kawagoe 1995). Then what is the major factor, which contributed the growth of agriculture? One possible answer will be the technological potential accumulated since the 1930s. Although the potential had been dammed by the critical shortage of fertilizers and other factors during the war, it was quickly realized along with the recovery in the supply of these inputs after the war.

²⁵ Raper 1951, p.181; Dore 1959, p.216; Raup 1967, p.278; Ogura 1967, p.37

In relation to the issue (3), we have little empirical investigations. The reform may have contributed to an increase in the standard level of living in rural people through the re-distribution of wealth and thereby the income (Kawano 1969, p.385). However, it is not clear how extent the reform contributed to capital formation in the agricultural sector. It is one of the important empirical issues to be identified.

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Table 2-1a A typology of agricultural land reforms by modes of production.

			Post- land reform condition			
			Market economy (M)		Semi-feudal (F)	Socialist (S)
			Peasantry (p)	Commercial (c)		
Pre-land reform condition	Market economy (M)	Peasantry (p)	(1.1) Mp→Mp	(1.2) Mp→Mc	(1.3) Mp→F	(1.4) Mp→S
		Commercial (c)	(2.1) Mc® Mp	(2.2) Mc® Mc	(2.3) Mc→F	(2.4) Mc® S
	Semi-feudal (F)		(3.1) F→Mp	(3.2) F→Mc	(3.3) F® F	(3.4) F→S
		Socialist (S)	(4.1) S→Mp	(4.2) S→Mc	(4.4) S→F	(4.4) S® S

Table 2-1b Model of agricultural land reform.

			Post-land reform condition			
			Market economy (M)		Socialist (S)	
			Peasantry (p)	Commercial (c)		
Pre-land reform condition	Market economy	Peasantry (p)	Asian Model		Socialist Model	
			(1.1) Mp→Mp	(1.2) Mp→Mc	(1.4) Mp→S	
	Semi-feudal (F)		Latin American Model			
			(3.1) F→Mp	(3.2) F→Mc	(3.4) F→S	
	Socialist (S)		Trnsition Economy Model		-	
			(4.1) S→Mp	(4.2) S→Mc		

Table 4-1 Number of farm workers, farm households and cultivated land area in Japan, 1880-1960.

Year	Farm workers (1000) (1)	Farm households (1000) (2)	Cultivated land area (1000 ha) (3)	Man-Land ratio (1)/(3)	Land per farm (3)/(2)
1880	14,657	5,499	4,735	3.1	0.86
1900	14,203	5,496	5,193	2.7	0.94
1920	13,940	5,550	5,983	2.3	1.08
1940	13,537	5,501	6,110	2.2	1.11
1960	11,930	5,954	6,076	2.0	1.02

Sources: Farm workers: LTES (Vol.2, table 10, pp.216-7) and Hayami *et al.* (1991, tables A-5) for 1960.

Farm households: LTES (Vol.9, table 33, pp.218-9). Cultivated land area: Hayami *et al.* (1991, table A-6).

Note: Five year averages centering on the years shown.

Table 4-2 Agricultural production in Japan, 1880 - 1960.

Year ^{b)}	million yen ^{a)} (%)				
	1880	1900	1920	1940	1960
Agriculture total	792	1102	1695	1964	2781
Rice	447 (56)	536 (49)	817 (48)	786 (40)	1108 (40)
Wheat	88 (11)	126 (11)	147 (9)	188 (10)	201 (7)
Sericulture products	50 (6)	117 (11)	257 (15)	339 (17)	116 (4)
Livestock	11 (1)	34 (3)	70 (4)	191 (10)	566 (20)

Source: LTES 9, pp.148-9.

Notes: ^{a)} Farm value, 1904-1906 prices. [^{b)} Data refers to five year averages]

Table 4-3 Government revenue by tax sources, 1875 - 1900.

						Unit: 1000 yen
Year	Land Tax	Income Tax	Sales Tax	Tariff	Others	Total
1875	50,345	-	-	1,719	-	59,194
1880	42,080	-	-	2,624	10,558	55,262
1885	42,452	-	-	2,085	8,044	52,581
1890	40,084	1,092	757	4,393	19,926	66,252
1895	38,692	1,497	551	6,786	27,172	74,698
1900	46,718	6,368	6,051	17,010	57,799	133,926

Source: Tobata and Ohkawa (1956, pp.420-1).

Table 4-4 Distribution of farmland area owned by farmer and landlord, 1872 - 1947.

							Unit: thousand hectare, (%)
Year	Farmland area owned by		Non-farming landlord	Total farm-land area	Share of tenanted land (%)		
	Owner	farmer					
	Own cultivation	Leased out				+	
1872				4,556 ^a	(29)		
1883				4,713	(36)		
1903	2,899		2,324	5,223	(44)		
1910	3,049		2,557	5,606	(46)		
1920	3,243		2,791	6,034	(46)		
1930	3,016		2,792	5,808	(48)		
1940	3,232		2,737	5,969	(46)		
1947	3,006	1,143	821	4,970	(40)		

Sources: Data for 1872 and 1883: Total farmland: Umemura *et al.* (1966, table 32); Share of tenanted land: Tobata and Uno (1959, p.192, table 4.1). Data for 1903-1940: Kayo (1977, table B-b-1). Data for 1947: NKTG (1951, p.598, table 12).

Note: ^aFigure in 1874

Table 4-5 Number of land owners by the size land holdings in Japan, 1935

Size of land holdings (hectare)	less 0.5	0.5 - 1	1 - 3	3 - 5	5 - 10	10 - 50	50 or more	Total
Land Owner (1000 household, (%))	2,555 (50)	1,304 (25)	906 (18)	221 (4)	111 (2)	46 (1)	3 (0)	5146 (100)
Land holdings (1000 hectare, (%))	923 (15)	991 (17)	1,423 (24)	842 (14)	765 (13)	744 (12)	280 (5)	5,969 (100)
Average land size (ha)	0.34	0.8	1.6	3.8	6.9	16	82	1.2

Source: NKTG (1951, p.598) Original source: by MAF (detail unknown).

Table 4-6 Number of farming-landlords and their rent out land by size of farm operation in Japan^a, 1947.

Size of the operational area of farming (hectare)	less 0.5	0.5 - 1	1 - 3	3 - 5	5 - 10	10 or more ^b	Total
No. of farming landlord with rent out land (000 farms):							
less 0.5 ha	298	259	252	4.5	0.1	0	813
0.5 to 1.0 ha	62	78	88	2.8	0.1	0	231
1 ha or more	58	61	114	6.4	0.5	0	240
Total (a)	418	398	454	14	0.7	0	1,284
Total number of owner farmers (b):							
	2,418	1,813	1,442	28	1.2	0	5,702
(a)/(b) (%)	(17.3)	(21.9)	(31.5)	(48.9)	(55.4)	(65.0)	(22.5)
Total rent out land (c) (1000 ha)	277	296	468	31	3.8	0.6	1,076
Average rent out area per farm (c)/(a) (ha/farm)	0.66	0.74	1.03	2.25	5.53	21.49	0.84

Source: MAF, Nochi-mondai ni kansuru tokeishiro (Survey on farm land issues), 1952, p.33, table 54.

Notes: ^a Excluding Hokkaido prefecture. ^b Only 26 farming landlords out of 40 owner farmers were reported.

Table 4-7 Size distribution of land owners, 1938.

Unit: Number of thousand households (%)^a

Size of land holdings (ha)	Below .5	.5 - 1	1 - 3	3 - 5	5 - 10	10 - 50	Above 50	Total
Farmer	1,978	1,263	701	66	26 ^b	-	-	4,033
Non-farming landlord	453	21	215	154	83	44	3	973
Total	2,430	1,284	916	220	109	44	3	5,006
	(49)	(26)	(18)	(4)	(2)	(1)	(-)	(100)

Sources: Kayo (1977, table B-b-3); Kurihara (1979, p.135).

Notes: ^a Percentage distribution of landowners is shown in parentheses.

^b Include farmers who owned more than 10 hectares.

Table 4-8 Number of absentee and village landlords, who have more than 5 hectares, 1924.

Type of landlord	Number (%)			Owned land area (%)		
	Absentee	Village	Total	Absentee	Village	Total
All Japan	20,940	62,207	83,147	180	630	810
	(25)	(75)	(100)	(22)	(78)	(100)
Northern Japan	5,207	11,982	17,189	82	148	230
	(30)	(70)	(100)	(36)	(64)	(100)
Western Japan	2,194	2,469	4,663	20	25	46
	(47)	(53)	(100)	(44)	(56)	(100)

Source: Nihon Nogyo Hatatsushi Chosakai (1955, Vol.7, p.669).

Table 4-9 Size distributions of large landlords by number and owned land area, 1924 ^{a)}.

Land area per owner (hectare)	50 - 100	100 - 200	200- 300	300 - 500	500 - 700	700 - 1000	1000 -	Total
Number	1,701	562	129	68	29	9	15	2,513
(%)	(68)	(22)	(5)	(3)	(1)	(0.4)	(0.6)	(100)
Land area (1000 ha)	140	100	39	42	25	13	47	406

Source: Nihon Nogyo Hatatsushi Chosakai (1955, Vol.7, pp.687-89).

Note: ^{a)} Excluding Hokkaido and Okinawa.

Table 4-10 Occupation of Number of large landlords by occupation, 1925.

Occupation	Number	%
Farming	1122	35
None	952	30
Commerce	358	11
Official/office worker/director	206	6
Money lender	147	5
Winery	147	5
Mining/forestry/fishery	56	2
Other	46	1
Owned by corporation	145	5
Total	3179	100

Source: Nihon Nogyo Hatatsushi Chosakai (1955, Vol.7, pp.691-2).

Table 4-11 Number of farm households and cultivated land area by land tenure status in prewar period.^{a)}

	Owner	Owner cum tenant	Tenant	Total
Number of farm (thousand, %)				
1910	1,777 (33)	2,139 (39)	1,501 (28)	5,417 (100)
1920	1,683 (31)	2,244 (41)	1,558 (28)	5,485 (100)
1930	1,684 (31)	2,350 (43)	1,478 (26)	5,512 (100)
1938	1,626 (30)	2,408 (44)	1,407 (26)	5,441 (100)
Cultivated land area (000 ha)	1,577	2,762	1,108	5,447
Average farm size (ha/farm) in 1938	0.97	1.15	0.79	1.00

Sources: Kayo (1977, table C-a-2); Kurihara (1979, table 29) for 1938.

Note: ^{a)} The figures include farming landlords.

Table 4-12 Distribution of farms and their operational areas by land tenure status, 1938.

Operational land area (ha)	Number of farm (thousand)	Operated land Total (1000 ha)	Owned	Tenanted	Ratio of tenanted land (%)
Less 0.5	1,777	435	205	229	52.7
0.5 - 1	1,579	1,152	561	591	51.3
1 - 2	1,438	1,966	1,082	884	44.3
2 - 3	287	674	414	259	38.5
3 - 5	73	258	174	85	32.8
5 or more	7	43	31	11	26.5
Total	5,160	4,527	2,468	2,059	45.5

Source: Ministry of Agriculture (1952, table (45) A, p.26).

Note: Excluding Hokkaido.

Table 5-1 Number of tenancy disputes and tenants involved, 1917-1941.

Year	Number of disputes (a)	Number of tenants involved (b)	Tenants per dispute (b)/(a)
1917	85	N/A	
1918	256	N/A	
1919	326	N/A	
1920	403	3,465	9
1921	1,680	145,898	87
1922	1,578	125,450	79
1923	1,917	134,503	70
1924	1,532	110,920	72
1925	2,206	134,646	61
1926	2,751	151,061	55
1927	2,052	91,336	45
1928	1,866	75,136	40
1929	2,434	81,998	34
1930	2,478	58,565	24
1931	3,419	81,135	24
1932	3,414	61,499	18
1933	4,000	48,073	12
1934	5,828	121,164	21
1935	6,824	113,164	17
1936	6,804	77,187	11
1937	6,170	63,246	10
1938	4,615	52,817	11
1939	3,578	25,904	7
1940	3,165	38,614	12
1941	3,308	32,289	10

Source: Kayo (1977, table B-b-4, p.69).

Table 5-2 Changes in the prices of agricultural products, consumer price index and farm household income, 1920 - 1941.

Year	Agricultural products, all commodities ^a (1934-36=100)	Consumer price index, village ^b (1934-36=100)	Farm household income, tenant ^c (yen/farm)
1920	145.6	151.15	
1921	143.3	136.17	782
1922	127.8	133.08	875
1923	138.5	132.11	1151
1924	148.5	133.12	1162
1925	148.8	133.71	1413
1926	134.1	126.31	986
1927	117.3	123.39	990
1928	115.6	118.22	994
1929	114.3	115.34	994
1930	75.3	102.73	661
1931	69.3	89.73	442
1932	77.8	91.25	516
1933	85.6	94.64	613
1934	92.2	96.68	608
1935	101	100.22	647

Sources: Kayo (1977, table M-a-2, p.501); LTES 8 (, table 11(13), p.167).

Notes:

^aPrice index of agricultural products, all commodities, 1934-36 weights=100.

^bConsumers' price index, farm households, 1934-36=100

^cFarm income as tenant farmers and other income such as off-farm jobs and gift, yen/farm, exclude Hokkaido.

Table 5-3 Number of farms who transformed into owner farmers under Owner Farmer Establishment Rule.

Financial year	Number of farms who received the loan	Land transferred to tenant (cho) ^a	Total expenditure for the project (thousand yen)
1926	10,558	3,452	9,782
1930	18,230	7,933	16,992
1935	21,027	19,119	18,326
1937	21,825	14,287	22,778
1940	155,122	9,220	17,844
Total (1926-46)	795,796	382,165	1,031,893

Source: Ministry of Agriculture (1952, table 58, p.37).

Note: ^aOne cho equals to 0.99174 hectare.

Table 5-4 Changes of the government's procurement price of rice, 1939 - 1947.

Unit: yen per koku of brown rice			
Year	Rice price (a)	Subsidy to producers (b)	Total price paid to producers (a)+(b)
Until Oct. 1939	38	-	38
Nov. 1940 - Aug. 1942	43	-	43
Sep. 1941 - Mar. 1943	44	5	49
Apr. 1943 - Mar. 1945	47	15.5	62.5
Apr. - Oct. 1945	55	37.5	92.5
Nov. 1945 - Feb. 1946	55	95	150
Mar. 1946 - Aug. 1947	55	245	300

Source: NKTG (pp.495-6).

Note: One koku is 150 kg of brown rice.

Table 6-1 Changes in cultivated land area by land tenure status, 1941 - 1955.

Unit: thousand hectares

Year	Owner		Tenant		Total	
1941	3,099	(54)	2,660	(46)	5,759	(100)
1947	3,006	(60)	1,964	(40)	4,970	(100)
1949	4,274	(87)	643	(13)	4,917	(100)
1955	4,678	(91)	462	(9)	5,140	(100)

Sources: Kayo (1977, tables B-b-1 and C-a-2); NKTG (pp.646-7, table 26).

Table 6-2 Changes in number of farms by land tenure status^a, 1941 - 1955.

Unit: thousand farms

Year	Owner ^b		Owner cum tenant		Tenant cum owner		Tenant		Total ^c	
1941	1,656	(31)	1,123	(21)	1,093	(20)	1,516	(28)	5,412	(100)
1947	2,154	(36)	1,183	(20)	997	(17)	1,574	(27)	5,909	(100)
1949	3,564	(57)	1,735	(28)	458	(7)	489	(8)	6,247	(100)
1955	4,200	(70)	1,308	(22)	285	(5)	239	(4)	6,043	(100)

Sources: Kayo (1977, tables B-b-1 and C-a-2); NKTG (pp.646-7, table 26).

Notes: ^a Owner: Farmers who own more than 90 percent of their cultivating land; Owner cum tenant and Tenant cum owner: Farmers who own 50 to 90 percent and 10 to 50 percent of their cultivating land, respectively; Tenant: Farmers who own less than 10 percent of their cultivating land.

^b Include farming landlords, who rented out more than 1 hectare.

^cData on each categories do not sum up to total, since farms who do not cultivate farm land are included in the total, which are 23,816 farms in 1941, 1,386 in 1947 and 663 in 1949.

Figure 4-1 Types of land owners in relation to farming.

