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POSITION OF AGRICULTURE IN POSTWAR JAPANESE CAPITALISM'S REPRODUCTION STRUCTURE

—An Analysis of the Various Problems of Agriculture
in the "Growing" Japanese Economy—

MASAHARU TOKIWA

INTRODUCTION

THE AGRICULTURAL problem of Japan after the farmland reform has been widely discussed. In the past several years, the problem of the differentiation of the peasantry has become the central subject of discussions. Furthermore, it is well known that this problem has been discussed mainly in connection with the so-called question of the relative increase in the number of medium-scale farms.

The differentiation of the peasantry is inevitable under the commodity economy and there is no denying this inherent principal. However, the differentiation of the peasantry at the present stage is basically different in its meaning and form from the differentiation of the peasantry at the classic stage where the capitalist mode of production itself was created. "Upward differentiation," that is, the upward development of agricultural management is difficult, and there are no prospects for establishing the category of "capitalist management" in agriculture. The "theory of relative increase in the number of medium-scale farms" seeks to explain that it is "monopoly capital's expropriation of the peasantry which is blocking the upward development of agriculture. However, even the "expropriation of the peasantry by monopoly capital" is not totally without rules or order. It is the same as in the case of capital's expropriation of surplus labor, that is surplus value, from wage-labores which also is not totally devoid of principle. Capital's wilfull, unprincipled and utterly disorderly exploitation and expropriation of workers and farmers will only serve to dry up the source of the reproduction of capital itself. Therefore, even if one speaks of the "exploitation of the peasantry by monopoly capital," there would naturally be limitations prescribed by the principle of the total social capital reproduction. We think that this limitation is defined by the socially necessary amount of agricultural labor, which can be spared from the total labor, calculated on the basis of the position and role of agriculture under the reproduction structure of Japan's monopoly capitalism at the present stage of reconstruction and rehabilitation attained in less than ten years

since the end of the war. This socially necessary amount of agricultural labor is indicated in the formation of prices of agricultural products. The inequality of development between agriculture and the manufacturing industry in the "growing" Japanese economy means that the socially necessary amount of agricultural labor is decreasing relatively. The growth of agricultural productivity in this situation is further increasing relatively the surplus of agricultural labor of the old type through the formation of prices of agricultural products, and is accelerating the differentiation of the peasantry. In the process, wealthy farmers are born for a time, but as a whole, the differentiation point of the peasantry is up-graded and the "widespread disintegration process of the farm economy" progresses. The direction of change in agricultural policy given in the recommendation submitted by the "Council for the Study of Basic Problems of Agriculture, Forestry and Fisheries" indicates the response of policy itself toward this "agrarian crisis" which is emerging in the present stage of the structure of reproduction under Japanese monopoly capitalism. The aim of this policy line can be said to be the firm establishment and strengthening of the foundations for accumulation and expanded reproduction of monopoly capital in the form of low prices for agricultural products, that is, low wages, on the basis of increased agricultural productivity through such means as "the fostering of self-supporting farm management," and the promotion of mechanized agriculture. On the other hand, the movement for the co-operativization of farming, which are arising in various places recently, should be regarded as one form of the peasantry's response to its intensifying disintegration.

The problems of Japan's agriculture since the land reform have been discussed exhaustively, from such aspects as the defining of the nature of land ownership since the reform, the trend of the differentiation of the peasantry, theories on the prices of agricultural products and land prices, the problem of co-operativization of farming, etc. There are still many problems in each of these fields which must be further studied in the future. However, in order not to commit the mistake of failing to see the woods for the trees, and also to understand the meaning of each of these problems and how they are inter-related with each other, it seems necessary to find an analytical standpoint all these problems of Japan's agriculture at the present stage must be viewed and understood. With this awareness, we propose that in analyzing the various problems of Japan's agriculture at the "growing stage" of the Japanese economy, we must

base our standpoint on the "position of agriculture in the structure of reproduction under postwar Japanese monopoly capitalism." This is because we think that it is necessary to see the problems of agriculture in relation to the structure of total social capital reproduction and to seek their meaning in this relationship. We also believe that the meaning of the co-operativization of farming which has arisen recently should also be given its rightful place in this study. For this purpose, we think that the most important link in the logical chain is to explain and clarify the structure of the formation of prices of agricultural products which link agriculture with the course of total social capital reproduction. In this sense, I wish to stress the need for studying and explaining the structure of the formation of prices of agricultural products from the standpoint of total social capital reproduction.

As one attempt in this direction, therefore, I intend to review the trend of farm households in general under the "growing" Japanese economy on the basis of the "Outline of the Farm Household Survey Results in the 1960 World Census Agriculture and Forestry", discuss the structure of the formation of prices of agricultural products from the standpoint of reproduction, and clarify the relationship between increasing productivity and the formation of prices in agriculture. I also intend to discuss from a rational standpoint why the question of the co-operativization of farming which is being argued for recently should be viewed in the light of "the position of agriculture in the structure of reproduction under postwar Japanese monopoly capitalism".

I. JAPANESE AGRICULTURE IN THE GROWING ECONOMY

The growth of the Japanese economy is shown by the annual increases in the statistics on national income. The gross national income has trebled in the ten years since 1950. However, agricultural income has increased by only 1.6 times. Although the gross national income has increased by about fifty percent since 1955, the growth of farm income has been particularly stagnant, showing only 5.6 percent rise. The ratio of farm income to the gross national income has been decreasing year by year, with 21.2 percent in 1950 as the peak. Although the ratio rose somewhat temporarily in 1955, the ratio dropped drastically again in 1956 and this downward trend has been continuing ever since, so that in 1960, the ratio dropped to a mere 11.4 percent.

This downward trend of the ratio of farm income to the gross national income clearly shows the position of agriculture in the

reproduction structure of Japanese monopoly capitalism after the land reform. However, before discussing the mechanism which is giving rise to this phenomenon, we wish to review in general the changes within agriculture itself in the number of farm households, composition of farm households by the scale of management, farm population and the changes in the composition of full-time and part-time farm households and to study the nature of the differentiation of the peasantry at the present stage.

TABLE 1
COMPARISON OF FARM INCOME WITH GROSS NATIONAL INCOME BY YEAR

Fiscal Year	Gross National Income (A)		Farm Income (B)		$\frac{(B)}{(A)} \times 100$
	Actual figure (unit: ¥1 billion)	Index	Actual figure (unit: ¥1 billion)	Index	
1950	3,683.7	100	780.9	100	21.2
51	4,535.3	123	898.3	112	19.8
52	5,195.4	141	958.6	123	18.4
53	5,822.4	158	941.4	121	16.2
54	6,123.5	166	992.1	127	16.2
55	6,681.4	181	1,202.6	154	18.0
56	7,531.0	204	1,090.1	140	14.5
57	8,219.6	223	1,127.0	145	13.7
58	8,504.5	231	1,155.0	148	13.6
59	9,991.2	271	1,220.7	156	12.2
1960	11,229.0	303	1,278.2	164	11.4

(Source: Statistics and Survey Division, Ministry of Agriculture and Forestry, Government of Japan; Statistics of Agriculture, Forestry and Fisheries (pocket edition), for each year)

1. Number of Farm Households, Its distribution by Size of Cultivated Land Farm Population, and Changes in the Composition of Full-time and Part-time Farm households

i. Number of Farm Households:

“The number of farm households, up until the end of the War, had generally remained static at about 5,500,000. However, due to special reasons following defeat such as the severe shortage of foodstuffs, loss of the labor market in the cities with the destruction of urban industries, and the large number of repatriates flooding back to agrarian communities, the farm population showed an abnormal increase. This led to a sharp increase in the number of farm households, and in 1947, they numbered 5,909,000. In 1950, their number rose to

6,176,000. However, with the gradual improvement in the food situation and the expansion of the labor market accompanying the reconstruction of urban industries, farm population once again started flowing out to the cities, and as result, the number of farm households also started to decrease. In 1955, the number of farm households decreased by 130,000 and the figure became 6,040,000 (2.2 percent in rate of decrease).¹ Viewed by districts, too, the number of farm households were increasing in all districts up until 1950, but in the period between 1950 and 1955, they started decreasing in all districts with the sole exception of the Tōhoku District. This decreasing tendency continued throughout the period between 1955 and 1960, except in the Tōhoku and the Kyūshū District (cf. Table 2). Thus, I think we can safely say that from 1950 on, the number of farm households, in general, show a downward tendency.

ii. Number of Farm Households by Size of Cultivated Land:

As regards the increase or decrease in the number of farm

TABLE 2
CHANGES IN THE NUMBER OF FARM HOUSEHOLDS

	Actual Figures				Increase; Decrease		
	1947	1950	1955	1960	1947-50	1950-55	1955-60
	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands	Thou- sands
National total	5,909	6,176	6,043	6,025	+267	-133	- 18
Hokkaidō Prefectural total	208	246	237	234	+ 38	- 9	- 3
	5,701	5,931	5,806	5,792	+230	-125	- 14
Tōhoku	714	750	716	786	+ 36	+ 11	+ 25
Kantō	926	970	944	938	+ 44	- 26	- 6
Hokuriku	448	455	452	449	+ 7	- 3	- 3
Tōzan	303	316	310	306	+ 13	- 6	- 4
Tōkai	672	684	666	658	+ 12	- 18	- 8
Kinki	619	634	618	607	+ 15	- 16	- 11
Chugoku	648	663	645	640	+ 15	- 18	- 5
Shikoku	395	411	399	392	+ 16	- 12	- 7
Kyūshū	976	1,047	1,012	1,015	+ 71	- 35	+ 3

(Source: The Outline of the Farm Household Survey Results in the 1960 World Census of Agriculture and Forestry, Vol. I. Hereafter, when the source of data is not particularly noted, the data has been taken from the above-mentioned source.)

¹ Ministry of Agriculture and Forestry, Government of Japan; The Outline of the Farm Household Survey Results in the 1960 World Census of Agriculture and Forestry Vol. I, p. 8.

households by the size of cultivated land, in all prefectures except Hokkaido, the number of households with less than five tans of land decreased while those with over five tans increased during the period between 1950 and 1955, as shown in Table 3. However, for the period between 1955 and 1960, the dividing

TABLE 3
NUMBER OF FARM HOUSEHOLDS BY SIZE OF CULTIVATED LAND
(for all prefectures except Hokkaidō)

Size of farm households	Actual number			Change (+ -)	
	1950	1955	1960	1950-55	1955-60
Total	5,930,662	5,806,135	5,778,198	-124,527	-27,937
under 3 tan (under 0.298 ha)	1,428,535	1,268,150	1,251,815	-160,385	-16,335
3-5 tan (0.298 ha and under 0.496 ha)	1,032,201	1,006,345	982,249	- 25,856	-24,096
5-10 tan (0.496 ha and under 0.992 ha)	1,951,731	1,955,255	1,894,114	+ 3,524	-61,141
10-15 tan (0.992 ha and under 1.488 ha)	944,718	981,400	995,884	+ 36,682	+14,484
15-20 tan (1.488 ha and under 1.983 ha)	363,132	375,865	401,640	+ 12,733	+25,775
Over 2cho (1.983 ha and over)	203,050	208,785	235,827	+ 5,735	+27,042
Exceptions (Farm households with agricultural sales of ¥20,000(\$55.6) or less)	7,295	10,335	16,669	+ 3,040	+ 6,334

TABLE 4
NUMBER OF FARM HOUSEHOLDS BY SIZE OF CULTIVATED LAND
(for Hokkaidō)

	Actual number			Change (+ -)	
	1950	1955	1960	1950-55	1955-60
Total	245,757	236,770	233,634	- 8,987	-3,136
under 5 tan	61,605	44,940	44,352	-16,665	- 588
5-10	21,194	18,410	16,001	- 2,784	-2,409
10-20	31,686	29,415	25,159	- 2,271	-4,256
20-30	32,073	33,675	31,947	+ 1,602	-1,728
30-50	50,465	55,970	56,857	+ 5,505	+ 887
50-100	37,619	43,355	47,144	+ 5,736	+3,789
100-200	9,617	9,875	11,076	+ 258	+1,201
over 200	391	425	310	+ 34	- 115
Exceptions	1,107	705	788	- 402	+ 83

line between increase and decrease rose to one cho (ten tans), and the number of farm households with less than one cho decreased while those with more than one cho increased. The rise in the dividing line in the scale of land for the increase and decrease in the number of farm households was also seen in Hokkaidō (cf. Table 5).

This rise in the dividing line between increase and decrease in the number of farm households by the size of cultivated land shows the decrease in the farm population and the increase in the number of part-time farm households.

iii. Decrease in Farm Population:

As shown in Table 5, the tempo of the decrease in farm population has been accelerated recently, with the rate during the 1950-55 period standing at 3.6 percent and rising to 5.9 percent in the 1955-60 period. This fact is also endorsed by the figures given in Table 6, which shows the changes in the farm population by district. The figures in Table 6 show that while the decrease rate during the 1950-1955 period was between three and five percent in all districts with the exception of the Tōhoku District, the rate rose to three to eight percent in all districts, including the Tōhoku District in the 1955-60 period.

During the five years 1955 to 1960, the rate of decrease in the farm population, viewed by districts, was particularly high in Hokkaidō, Tōzan, Tōkai, Kinki and Shikoku Districts. These districts are at the same time the regions where the decrease in the number of farm households was also high (see Table 2, given earlier). It is natural that a district where the rate of decrease in the number of farm households is high should also show a high rate in the decrease of farm population. It should be noted, however, that even in the Tohoku District, where the number of farm households has been showing an increase, there has been a decrease in the farm population. This means that even in the Tōhoku District, which has been showing an exceptional phenomenon of a continuous increase in the number of farm households when all other districts in the country were showing a decreasing trend, the actual situation was not really running counter to the nation-wide trend of the falling off of the peasantry and it shows that even in the Tōhoku District, the differentiation of the peasantry has actually been in progress.

TABLE 5
CHANGES IN THE TOTAL FARM POPULATION

Year	Total Number	Changes		Average per household
		Actual number	Percentage (%)	
	Thousands	Thousands		
1950	37,997			6.1
1955	36,618	-1,379	-3.6	6.0
1960	34,470	-2,148	-5.9	5.7

TABLE 6.
CHANGES IN FARM POPULATION BY DISTRICT

Year	1950	1955	1960	Change 1950-55		Change 1955-60	
	(Thousands)			Figures (Thousands)	%	Figures (Thousands)	%
Hokkaidō	1,617	1,551	1,435	-66	-4.1	-116	-7.5
Tōhoku	5,263	5,289	5,115	+26	+0.5	-174	-3.3
Kantō	6,273	6,012	5,685	-261	-4.2	-327	-5.4
Hokuriku	2,816	2,738	2,588	-78	-2.8	-150	-5.5
Tōzan	1,870	1,768	1,638	-102	-5.5	-130	-7.4
Tokai	4,132	3,950	3,634	-182	-4.4	-316	-8.0
Kinki	3,530	3,403	3,193	-127	-3.6	-210	-6.2
Chūgoku	3,702	3,556	3,344	-146	-3.9	-212	-6.0
Shikoku	2,404	2,285	2,100	-119	-4.9	-185	-8.1
Kyūshū	6,389	6,067	5,739	-322	-5.0	-328	-5.4

Viewing the changes in farm population for all prefectures during the 1955-1960 period, there has been a decrease in all strata of farm holdings less than two cho, and the decrease was particularly marked among the peasantry with farm holdings ranging from five tan to one cho (Table 7). In this connection, it should be specially noted that even among farm households which have 1~1.5 cho of farmland (these showed an increase in the number of households) the actual number of farm population has decreased. It is believed that this discrepancy in the number of farm population by the scale of management stems from the decrease in the population per household. In the case of farm households with over two cho of farmland, the overall population of farm households has increased despite the fact that the per household population

TABLE 7
CHANGES IN FARM POPULATION BY SIZE OF CULTIVATED LAND
(all prefectures except Hokkaidō)

		(1,000 persons)						
		under 3 tan	3-5 tan	5-10 tan	10-15 tan	15-20 tan	over 20 tan	except- ions
1955		6,155	5,416	11,957	6,764	2,846	1,730	51
1960		5,887	5,072	10,946	6,424	2,822	1,806	77
Change	Figures	-368	-344	-1,011	-340	-24	+76	+26
	rate	-4.4%	-6.4%	-8.5%	-5.0%	-0.8%	+4.4%	+51.0%
Number of persons per house- hold	1955	4.8	5.4	6.1	6.9	7.6	8.3	4.8
	1960	4.7	5.1	5.7	6.4	7.0	7.6	4.6
Percentage distribution	1955	17.6%	15.5%	34.2%	19.4%	8.2%	5.0%	0.1%
	1960	17.8%	15.4%	33.1%	19.4%	8.5%	5.4%	0.2%

has decreased because of an increase in the number of farm households of such scale. But in the case of farm households of land holdings of 1-1.5 cho, the increase in the number of farm households of this scale was not great enough to cover the downward curve of the farm population in their category. This fact can be taken as indicating that the differentiation point of the peasantry which was five tan earlier and which had gradually risen to one cho, is now showing signs of rising to the point of 1.5 cho. This fact is indicated also in the trends in the composition of full-time and part-time farm households.

iv. Number of Full-Time and Part-Time Farm Households by Size of Cultivated Land:

The changes in the composition of full-time and part-time farm households through 1955 to 1960 in all prefectures, except Hokkaidō, are as shown in Table 8. With the 1.5 cho farmland holding as the dividing line, full-time farm households have increased in the class above this line while there has been a decrease of such households below this line. Part-time farm households have increased in the class which has more than five tan of farmland, while such households have decreased among those below five tan land. The reason for the decrease in the number of part-time farm households in the class with less than five tan of farmland is because the total number of such farm households has decreased.

Part-time farming can be said to be a general tendency. In

TABLE 8

CHANGES IN NUMBER OF FULL-TIME & PART-TIME FARM HOUSEHOLDS BY SIZE OF CULTIVATED LAND
(all prefectures excluding Hokkaido)

		Total			Full-time			Part-time								
								Total			1st class part-time (1)			2nd class part-time (2)		
		1955	1960	In-crease or De-crease	1955	1960	Inc. Dec.	1955	1960	Inc. Dec.	1955	1960	Inc. Dec.	1955	1960	Inc. Dec.
Actual Number (Unit: 1,000 households)	Total under 3 tan	5,838	5,810	-28	2,026	1,957	-69	3,813	3,853	+40	2,214	1,979	-235	1,599	1,874	+275
	3-5	1,281	1,263	-18	154	157	+3	1,128	1,107	-21	189	131	-58	939	976	+37
	5-10	1,014	989	-25	204	185	-19	810	805	-5	410	306	-104	400	499	+99
	10-15	1,963	1,903	-60	732	656	-76	1,231	1,247	+16	1,005	903	-102	226	344	+118
	15-20	984	999	+15	545	535	-10	437	464	+25	418	428	+10	21	36	+15
	20-25	377	402	+25	243	255	+12	134	148	+14	131	142	+11	3	6	+3
	25-30	132	147	+15	91	100	+9	41	46	+5	40	45	+5	1	1	0
	30-50	48	54	+6	34	38	+4	13	15	+2	13	15	+2	0	0	0
	over 50	28	34	+6	21	25	+4	7	9	+2	7	9	+2	0	0	0
	exc.	1	2	+1	1	1	0	0	0	0	0	0	0	0	0	0
		10	17	+7	2	5	+3	8	12	+4	0	+1	+1	8	11	+3
Percentage distribution (%)	Total under 3 tan	100.0	100.0		34.7	33.7	-	65.3	66.3	+	37.9	34.1	-	27.4	32.3	+
	3-5	100.0	100.0		12.0	12.4	+	88.0	87.6	-	14.7	10.3	-	73.3	77.2	+
	5-10	100.0	100.0		20.1	18.7	-	79.9	81.3	+	40.4	30.9	-	39.5	50.4	+
	10-15	100.0	100.0		37.3	34.5	-	62.7	65.5	+	51.2	47.4	-	11.5	18.1	+
	15-20	100.0	100.0		55.4	53.6	-	44.6	46.4	0	42.5	42.9	+	2.1	3.6	+
	20-25	100.0	100.0		64.5	63.3	-	35.5	36.7	+	34.7	35.3	+	0.8	1.4	+
	25-30	100.0	100.0		69.1	68.4	-	30.9	31.6	+	30.3	30.6	+	0.6	1.0	+
	30-50	100.0	100.0		71.4	71.4	0	28.6	28.6	0	28.2	27.7	-	0.4	0.9	+
	over 50	100.0	100.0		73.9	72.9	-	26.1	27.1	+	25.7	26.2	+	0.4	0.9	+
	exc.	100.0	100.0		72.2	24.7	+	27.8	25.3	-	26.8	22.6	-	1.0	2.7	+
				14.8	26.9	+	85.2	72.1	-	4.0	8.4	+	81.2	64.6	-	

Remark: (1) Part-time farm households engaging chiefly in agriculture.

(2) Part-time farm households engaging chiefly in nonagricultural occupations.

the case of farm households of 1.5 cho or more land, there has been an increase in the number of both part-time and full-time farm households. However, among those with 5-15 tan of farmland, the number of parttime farm households, has increased whereas full-time farm households have decreased. Especially, among the 5-10 tan class, there has been a sharp decrease in the total number farm households, and all the increase in part-time farm households is in the second-class (first-class part-time farm households have decreased). From this fact, the conclusion can be drawn that this class already belongs to the class affected by the downward differentiation of the peasantry.

The 1-1.5 cho class which has increased in the total number of farm households, shows an increase in part-time households and a decrease in full-time households. This fact indicates that although this class is desperately trying to remain a full-time farm household class and to make farm management the foundation of the reproduction of the farm household economy, it is on the point of being washed away by the general tide of the downward differentiation trend. When this class is viewed from the aspect of part-time and full-time farm households, the number of full-time farm households slightly exceeds the number of part-time households, but they are now coming close to being about equal in number. In order to enable farm households to remain full-time farm households, it will be necessary for this class of farm households to acquire more farmland. In this respect, we can say that this class of farm households is practically the dividing line of differentiation of the peasantry in our country at present. Even among the class of peasantry with 1.5 to 2 cho of farmland, where the total number of households has increased and the number of fulltime farm households has also increased, the increased in the number of part-time farm households exceeded the increase in the number of full-time farm households, and there has even been an increase, though very small, in the number of 2nd class part-time farm households. This fact leads to the suggestion that the dividing line of differentiation is moving up toward the two-cho peasantry class, and this endorses the view expressed earlier that there are indications that the dividing line of the differentiation of the peasantry has risen from five tan to one cho and is now moving further upward toward the

1.5 cho stratum.

2. Character of Differentiation of the Peasantry at the Present Stage

The decrease in the number of farm households and in the farm population, the decrease in the number of full-time farm households and increase in the number of part-time farm households are of course the outcome of a mixture of various factors. However, one of the major factors for these phenomena is the increase in employment in nonagricultural industry. Recently, it has been pointed out that the outflow of the younger generation from the farm households is extremely high and that there is a marked decrease in the younger people in the farm households. It is said that, to put it bluntly, the major reason behind this sharp trend which has been swallowing up the younger generation of the farm communities, even including the sons who are to inherit the farm, is the big income differential between agriculture and the manufacturing industries. In other words, it is said that the basic reason why the younger generation of the agrarian communities abandon farming is because agriculture as a profession is unprofitable compared with the manufacturing industries. However, this is not a new factor. The fundamental reason for the big differential in agricultural and manufacturing industrial income leading to the sharp outflow of the younger generation from agrarian communities lies in the fact, as pointed out in the saying that the labor market has now infiltrated every corner of agrarian communities, that it has become possible, with the "high growth" of the Japanese economy and the resultant increase in employment in fields outside of farming, to choose vocations which bring in more income. In this sense, it can be said that the decrease in the farm population and the increase in part-time farm households, that is, the differentiation of the peasantry, is the result of the "high growth" of the postwar Japanese economy.

However, this differentiation of the peasantry does not create paid workers within agriculture itself as in the case of differentiation at the classic stage, but rather creates paid workers outside of agriculture. Consequently, even the upward differentiation is not directed toward establishing the "capitalist mode of agricultural management." As pointed out earlier, it remains within the framework of the family farm. In other words, the basic direction of the differentiation of the peasantry at the present stage is fundamentally different in nature from that at the classic stage. The differentiation of the peasantry at the classic stage is the process toward creation of the capitalist mode of production. The differentiation at the present

stage is being pushed on by capitalism in fields other than agriculture and it is not directed toward the establishment of a capital-wage labor relationship within agriculture. Rather, the direction is either to become a wage-laborer outside of agriculture or to expand management within the framework of family farm in order to maintain a full-time farm household. This is because the differentiation of the peasantry at the present stage is already restricted and prescribed by the structure of reproduction under Japanese monopoly capitalism which has already become the dominant production mode in the present structure.

At the present stage, an overwhelmingly large percent of the peasantry possessing under 3 tan of farmland are actually laborers with their own land rather than a peasants. That this tendency is becoming strong even among the class with 3-5 tan of farmland is shown in Table 8. In 1960, 81.3 percent of the farm households of this scale were part-time and furthermore 62 percent of them were part-time farm households engaging chiefly in nonagricultural occupations. This is why the "landslide shift" in farm households is being often pointed out. The up-grading of the division point in the differentiation of the peasantry which we pointed out earlier can be regarded as a move which is linked with this "landslide shift."²

Nevertheless, it is insufficient to try to explain this "landslide" phenomenon by such facts as the "existence of the wide differential in the income of the agricultural and the manufacturing industries," or the increase in employment in fields other than agriculture. This is because, when viewed from the standpoint of the overall reproduction of the national economy, there could not have been such a "landslide shift" without an increase in agricultural production which would be sufficient to secure enough foodstuffs for the increased non-agrarian population, including the population which had shifted away from agriculture.

The young people of agrarian communities leave farming because "agriculture as a vocation is less profitable than other occupations." This means that the formation of the prices of agricultural products is relatively disadvantageous. This fact, at the same time, is pushing up the dividing point of differentiation of the peasantry. If the "fundamental reason" for the occurring of the "landslide shift" in

² However, in order to avoid misunderstanding, I must add here that this does not necessarily mean that very small scales part-time farm households can easily leave off farming completely. Rather, it should be realized that the increase in part-time farm households is creating anew another basis for low wages.

farm households and for the young people of agrarian communities leaving the farms is to be found in the "existence of the wide differential in the income of agricultural and manufacturing industries," then we must explain why such an income differential exists. It is too superficial to explain merely that with the "high growth" of the postwar Japanese economy, the "labor market has spread widely and deeply into all corners even of agrarian communities" and that with the increase in employment outside of agriculture, it has become more profitable to become non-agrarian paid workers than to remain on the farm. This is because this does not explain why it is not possible to form the prices of agricultural products which will increase agricultural income. In this sense, we believe that in order to explain the differentiation of the peasantry at the present stage in its relation to the overall structure, it is necessary to first explain the mechanism for the formation of prices of agricultural products.

II. MECHANISM FOR FORMATION OF PRICES OF AGRICULTURAL PRODUCTS IN THE POSTWAR JAPANESE ECONOMY

1. General Review of the Laws of Formation of Prices of Agricultural Products

The regulating prices of agricultural capitalist products are formed on the level of the general price of production (marginal cost price plus average profit) plus the absolute ground rent ($c + v + p + r$). However, in the case of small farm owners, who engage in "agriculture for direct subsistence," the regulating market price of the product will not come up to the level of the price of production, let alone to the level over and beyond the price of production. This is because so long as they are landowners and small capitalists, nothing appears as an absolute limit for them, but the wages which they pay to themselves, after deducting the actual costs. Thus, in the case of the small owner-farmer, the prices of agricultural products are not determined by the standard of $c + v + p + r$ but by the standard of $c + v$, that is, (cost price). This is one of the causes which keeps the prices of cereals lower in countries with a predominance of small farms than in countries with the capitalist mode of production. "A part of the surplus labor of the peasants, who work under the most disadvantageous conditions, is given to society free of charge, and does not pass over into the regulation of the price of production or into the formation of values in general. Thus, the prices of agricultural products are lowered to a still lower level. This lower price is a

result of the poverty of the producers and by no means of the productivity of their labor. Thus, the wage part which these small owner-farmers receive is often lowered to the lowest level physically possible.

The general rule for the formation of the prices of agricultural products under small-scale farmers, who generally fulfil a trinitarian role of landowner, small capitalist and worker, is that the prices of agricultural products are determined on the level of cost price ($c + v$) in capitalist production. This point has been already clarified in the studies on the prices of agricultural products.

However, the explanation and clarification of the "lowness" of the standard of the prices of agricultural products from the aspect of this trinitarian nature of small-scale farmers is not sufficient to explain the structure of the formation of the prices of agricultural products at the present stage (low rice price structure). If this trinitarian small farmer differentiates and a capitalist mode of production is established, such laws for the formation of the "low" prices of agricultural products would be discarded. In our country, however, the small-scale form has not been discarded, even in the postwar stage, and, furthermore, it is generally recognized that there are no immediate prospects for the establishment of a capitalist mode of agricultural production. Therefore, the question is, moving a step forward from explaining why the prices of agricultural products are formed at a "low" level under small-scale peasant management, why such a structure for the formation of "low" prices of agricultural products is still existing even at the present stage.

This means at the same time explaining why the category of "capitalist mode of management" cannot be established and why small-scale peasant management is not discarded. This fact cannot be explained merely by the "lowness" of the standard of the prices of agricultural products under the trinitarian peasant farmer. The logic is as follows; Why cannot the category of "capitalist mode of management" be established in Japanese agriculture at the present stage? Because the standard for the formation of the prices of agricultural products is "low." (Therefore, capital cannot be accumulated.) Then, why is the standard "low"? Because small-scale peasant management is predominant. The argument is that the reason why the capitalist mode management cannot be established lies in the inability to discard small-scale peasant management and that small-scale peasant management cannot be discarded

because it is not possible to establish the capitalist mode of management. It is a vicious circle.

We must seek the way to break through this deadlock in logic in the theory of reproduction of the aggregate social capital. In historically explaining why capitalist type management failed to be established as a category in Japanese agriculture, we must take up the "system of semi-feudalistic land-ownership" which played an important role not only in the history of the development of Japanese agriculture but also in the history of the development of Japanese capitalism and which prescribed even its structural characteristics. However, if we are to seek a way out of the deadlock in the above logic in "the semifeudalistic land-ownership system," it will appear that there are some prospects for the establishment of a "capitalist mode of agricultural management," following the land reform which dissolved the semi-feudalistic landownership system. However, we have already pointed out that even after the land reform, there has been no fundamental development toward a capitalist mode of agricultural management and that there are no such prospects for the future either. Why is this so? The "exploitation of the peasants" at the under monopoly capitalism has often been suggested as a reason (*Schere* and heavy taxes). However, "it is clear that monopoly capital cannot exploit the farmers wilfully and without principle. This is because such unprincipled exploitation of the farmers would dry up one of the important sources of profit of monopoly capital. Consequently, there would naturally be a limit to such exploitation, and there would be some rules for the "exploitation of the peasantry" The factor which prescribes the limit of exploitation and sets the rules for it, is at the same time the "reproduction theory" limit in the formation of the prices of agricultural products. It seems to us that this reproduction theory limit at the present stage of monopoly capital is in itself the very reason why the category of "capitalist mode of agricultural management" cannot be established even after the land reform.

2. "Reproduction Theory" Limit in Formation of Prices of Agricultural Products:

The Mechanism Preventing Establishment of the Category of "Capitalist Mode of Management" in Japanese Agriculture.

Through the production of commodities, farm labor acquires significance as a part of the total social labor in the reproduction process of Japan's national economy, and the Japanese agriculture is firmly

established as a social division of labor in line with the course of reproduction of the Japanese capitalist economy. Thus, Japanese farmers are incorporated tightly into the reproduction process of the Japanese capitalist economy through their production of foodstuffs and industrial materials, and occupy an important position and fulfill an important role in the reproduction structure of the national economy. Therefore, viewed from the aspect of the two sectors of social production the Japanese agriculture basically belongs to the second (sector for the production of articles of consumption). The reason is that it takes charge mainly of supplying foodstuffs for the Japanese people though agriculture, generally speaking, ranges over both sectors. Japan's agriculture is in the position of complementing the part of variable capital in the aggregate social capital in the reproduction process of Japanese capitalism.

In other words, agricultural production shoulders the task of the production of the materials for reproduction of labor-power and the reproduction process of Japanese capitalism would not be possible without this sector. As a result, therefore, even if we talk of the "exploitation of the peasantry by monopoly capital" we must keep in mind the fact that this exploitation is not wilful or unprincipled and that there is a limit from the aspect of reproduction of national economy.

In the process of the accumulation and expanded reproduction of the aggregate social capital, the increase in the production of articles of consumption lags behind the increase in production of means of production. This fact will manifest itself in the form of a trend of further relative decrease in the variable capital part and its ratio to the total social capital. As a result, the production in the agricultural sector which has to supply the material for the variable capital part inevitably decreases relatively in proportion.

Generally speaking, according to the "Theory of Reproduction", if we assume simple reproduction, the total value of the articles of consumption equals the sum total of national income $I(v + m) + II(v + m)$, and if we assume expanded reproduction, it is equal to the disposable national income $I(v + m(k) + m(v)) + II(v + m(v))$. The disposable national income depends on the degree and way of the accumulation of total social capital and the resultant expanded reproduction. Development of the first sector of production ahead of the second will decrease relatively the disposable national income. The growth of the second sector of production depends largely on the amount of this disposable national income. Consequently, the

increase in the accumulation of the total social capital inevitably leads to the relative lag in the development of the sector of articles of consumption. Japanese agriculture, which mainly belongs to this consumer goods production sector, is naturally greatly restricted by this general law.

Of course, the process of the accumulation of total social capital brings about an increase in the absolute amount of the total disposable national income. Therefore, it will increase the absolute demand for consumer goods, and in this respect, there will be an increase in the absolute demand for agricultural products. Additional capital investments will be made in order to increase production to correspond to the absolute increase in the demand for agricultural products, but if the productivity of the additional investments remains unchanged, then the socially needed amount of agricultural labor will increase in proportion to the absolute increase in the social demand for agricultural products. However, if production is increased by additional investments which increase productivity, or if the level of agricultural production power rises in general, then the socially needed amount of agricultural labor will not increase in proportion to the increase in the demand for agricultural products. If the social productivity level of agriculture rises at a greater rate than the increase of demand for agricultural products, the socially needed amount of agricultural labor decreases. If, generally speaking, the social demand for agricultural products is to remain static, then the rise in the level of the social productivity of agriculture will result in the absolute decrease in the socially needed amount of agricultural labor as a part of total social labor.

Moreover, if effective demand population is constant, the amount of social demand for agricultural products depends largely on the degree of elasticity of that demand. In the case of such a commodity as rice, where the elasticity of demand is small, market expansion through raising productivity and lowering the production cost is more limited than in the case of other commodities. In the case of commodities which have elastic demand, productivity increase may lower the value of each individual product, but it is possible to expand the market for the commodities by this very lowering of the individual value. Therefore, the total amount of all the individual values does not decrease. In other words, the decrease in the individual value is covered by the increase in the total of the individual values, or rather, it would be more accurate to say that the lowering of the individual value progresses on the one hand while the production and

realization of the total amount of the value of this specific commodity is being increased.

However, in the case of the production of a commodity such as rice, the demand for which is not very elastic, and where the limit of expanding the market for this commodity through the lowering of the individual value is fairly quickly reached, the process of the decrease in the individual value is at the same time the process of the decrease in the total social value of that particular commodity. Therefore, the increase or decrease in the socially needed amount of agricultural labor as a part of the total social labor is in proportion to the demand for agricultural products and in reverse proportion to the rise in agricultural productivity. Also, as the growth of the disposable part of the national income during the processes of expansion and reproduction of the total social capital, which brings about the absolute increase in the demand for agricultural products, also decrease relatively, demand for agricultural products must come to rely on a relatively smaller part of the disposable national income with the growth of agricultural productivity. In addition the standard for the formation of prices of agricultural products will be limited by that framework. The absolute increase in the disposable national income does not necessarily mean the raising of the income level of each individual consumer, but if it is accompanied by the rise in the living standard of the individual consumer, the above framework is further relatively narrowed (Engel's law).

On the other hand, when this is viewed from the position of the supplier of agricultural products, agricultural products are supplied to the market in a relatively large amount by a larger number of extremely small-scale farmers of scales below the marginal limit or below the "limit of management scale" in Japanese agriculture where small-scale farm management is the dominant trend. This fact serves to further reduce the prices of agricultural products. The process of accumulation and expanded reproduction increase the variable capital in the absolute, and therefore, in this respect alone, it increases the social demand for agricultural products and acts to stimulate increase in agricultural production. However, since it relatively decreases the socially needed amount of agricultural labor as a part of the total social labor, the expansion of agricultural production (realization of value) in the relative is curbed by the trend of the relative decrease in the socially needed amount of agricultural labor as a part of total social labor. Thus, the decreasing tendency of the rate of agricultural income in the gross national income under

the post-war "growth" economy of Japan (mentioned earlier), is no other one phenomenon of the general law of the capitalist mode of expanded reproduction.

In the process of accumulation and reproduction on an extended scale, it is inevitable that the socially needed amount of agricultural labor decreases relatively as a part of the total social labor. The development of productivity within the agricultural sector will act as an internal factor to decrease the socially needed amount of agricultural labor. However, this is not attained simultaneously or at once. It is conducted sporadically by individual farm managements, particularly by the upper-class farm households, through the induction of new agricultural techniques. So far as the absolute increase in the demand for agricultural products brought about by the absolute increase in the disposable part of the national income in the process of accumulation of total social capital is met by the expansion of the agricultural production scale of upper-class farm households without causing a drop in the regulating price of agricultural products, these upper-class farm households, which expand production through the induction of mechanization and other new techniques, will be able to acquire surplus income.

However, that is merely temporary and passing. When this level of agricultural productivity becomes general and when it becomes possible to meet the total amount of social demand for agricultural products, including the absolute increase in the demand for agricultural products arising from the absolute increase in the disposable national income, with an increase in agricultural products with low production cost, then the standard of the regulating price of agricultural products ($c + v$) itself will become lower. Thus the surplus income, or the profit part, for the upper-class farm households will immediately decrease or disappear altogether. Under this new, low regulating price of agricultural products, farm households which cannot maintain payability will be forced to leave farming (or become part-time farmers). The up-grading of the point of differentiation of the peasantry which we see at the present stage is based on this general principle. In other words, the law of proportionate distribution of total social labor in the process of accumulation of total social capital acts to decrease relatively the socially needed amount of agricultural labor as a separable part of total social labor, and the development of agricultural productivity under a mechanism which is governed by this law works to decrease absolutely the socially needed amount of agricultural labor, thus creating a "surplus" of farm

household products produced under inferior conditions. The relative decrease in the socially needed amount of agricultural labor in the process of accumulation of total social capital is no other than the capitalist form of perpetuation of the "law of proportionate distribution." The basic reason why it is not possible to expect the establishment of the category of the "capitalist mode of agricultural management" even after the farmland reform, or rather, at this present stage, lies in this mechanism of capitalist mode of accumulation, particularly in the Japanese capitalist form. At this stage of explaining what prescribed this Japanese form of accumulation we must discuss the historical fact of the "semi-feudalistic land-ownership system" from the standpoint of the establishment of Japanese capitalism and its historical development.

As is well-known, Japanese capitalism had in the process of its formation and development, the "semi-feudalistic land-ownership relations" as its foundation, and under this system it made as the foundation of its reproduction structure the small-scale farm which was not the normal form of differentiation directed toward the establishment of a bourgeois mode of production in agriculture. Japanese capitalism, which was developed with this structural characteristic, firmly established by the post-war period. It had created a mechanism of reproduction which could not be shaken in the least even when the semi-feudalistic land-ownership system was dissolved by the farmland reform. At the present stage, this reproduction mechanism is being used not in the direction of the development of agricultural productivity brought about by farmland reform move toward establishment of the category of "capitalist mode of agricultural management" but rather in the direction of utilization for the expanded reproduction and accumulation of total social capital. At such a stage, there is no room or prospects, no matter how greatly agricultural productivity is developed, for its establishment of "capitalist management in agriculture," in view of the law of proportionate distribution of total social labor prescribed by the mechanism of the Japanese capitalist mode of accumulation. Furthermore, so long as the development of agricultural productivity is premised on the reproduction mechanism of Japanese capitalism at the present stage, its development will inevitably be restricted within that framework. The establishment of "capitalist management in agriculture" is possible only at a certain historical stage when the course of the accumulation and expanded reproduction of total social capital is established. We must regard it as impossible to establish the "capitalist management

in agriculture" once the reproduction course has been established and total social capital has started its self-movement.

Under the present stage of the reproduction structure of Japanese state monopoly capitalism, which founded on the small-scale farm management system based on semi-feudalistic land-ownership, system, established and developed the reproduction structure on this basis, the law of proportionate distribution of total social capital is perpetuated through the capitalist mode of reproduction based on the small-scale farm management system. Here again, however, the process of accumulation and expanded reproduction of total social capital relatively decreases the socially needed amount of agricultural labor as a part of total social labor, and the development of productivity within agriculture itself makes the decrease absolute. This process up-grades the "marginal production farm household stratum" which prescribes the regulating price, reduces the prices of agricultural products, and makes the products which are produced at higher costs "excessive." The formation of prices of small-scale farm products of Japan at the present stage has a limit of relative decrease in the socially needed amount of agricultural labor within total social labor which is in turn prescribed by the reproduction structure of Japanese capitalism. Under structure for the formation of prices of agricultural products which is explained the "reproduction theory" it is not possible to establish the "capitalist mode of agricultural management."

Thus, though it is because of the lowness of the prices of agricultural products that capitalist management cannot be established in Japanese agriculture at the present stage, this is not simply due to the fact that small-scale farm management is dominant. It should not be explained away simply from the general law of formation of the prices of agricultural products under small-scale form management. We should rather turn our eyes to the reproduction mechanism of Japanese capitalism which is perpetuating (historically prescribed) even at the present stage, the law of formation of such low prices of agricultural products. The meaning and the limits of the agricultural products price policy with a tendency towards the "protection of peasants," indicated in the supporting price policy for rice price, should also be understood from this reproduction mechanism.

3. Meaning and Limits of "Protecting the Peasants" in Rice Price Supporting Policy

In 1960, the Policy Research Council of the ruling Liberal-Democratic Party stated as follows:

"The changes in the rice price until now have always been higher than the parity index, the consumer price index, the agricultural products price index, the wholesale price index and various other price indices. They show advantageously our Party has been fixing the price of rice which is a product produced by the peasantry. This standard of rice price has heightened the farm households will to produce rice, and together with improvements in soil and technique, has brought about an increase in rice production, and has greatly contributed to the stabilization of the farm household economy."

It is true that compared with other agricultural products, the Government's purchasement of rice price until now has tended to be a "supporting price," because it was guaranteed by the system of Government purchase, and it can be said that the Government has thus been "protecting" the rice producing peasants. This, however, was due to the fact that rice is the Japanese people's main staple food and a fundamental material for reproduction of labor-power as the variable capital part of the total social capital in Japanese capitalism. In other words, it merely aimed at establishing the material foundation for reproduction of labor-power, that is, the variable capital part of total social capital through a policy of increased production of foodstuff, thereby stabilizing the material foundation for increasing total social profit. Therefore, as soon as rice production ability increased, agricultural policy shifted to a policy of "cutting away" lower-class peasants. This is clearly indicated in the view that Japanese agriculture is now at a "turning point" and in the recent changes in the agricultural policy, embodied in the Agriculture Basic Law, that is, a change from encouraging increase in the production of foodstuff through developing new farmland, land improvement and offering incentive money for excess delivery of products, to a policy of "modernization of agriculture."

After end of the war, increased production of foodstuff was the most urgently demanded task needed for the reconstruction of Japanese capitalism. However, postwar Japanese capitalism, which had to quickly reconstruct monopoly capitalism through the means of low rice price and compulsory rice delivery, was confronted with the contradiction that the taking of such steps would not enable it to increase foodstuff production through a large-scale raising of the prices of agricultural products. It is well known that it finally managed to overcome the food shortage crisis with imported foodstuffs bought with aid funds supplied by America. With the help of American aid,

the food crisis was overcome and from around 1949, when the direction of the reorganization of expropriation by monopoly capital was generally established, a turning point in the policy of increasing foodstuff production was brought about by the Dodge Line and the Korean War. In other words, "directly prompted by the fact that Japan's concluding of a peace treaty and its regaining independence must be premised on its improving its dollar balance by economizing on the dollar funds spent on the import of foodstuffs which were squeezing out the imports of raw materials absolutely necessary for Japan's export industries, and by the fact that confronted with the Korean War, there arose the anxiety about the future of food imports," the Government, in July, 1950, decided on the policy of "quickly strengthening the structure for the self-supply of foodstuffs."

This established the direction of the "5-Years Plan for Increasing Food Production" (drafted in 1952, with 1953 as the starting year of the program). Prior to 1953, the reorganization of the post-war economic system of state monopoly capitalism, including agriculture, had generally been attained, with farmland reform generally completed, and with a series of agricultural measures and laws, including the enactment of the land improvement law (1949), abolition of control over potatoes, miscellaneous grains and wheat and barley (enforced respectively in 1949, 1950 and 1952) and the establishment of agricultural committees in the villages (1951), being made. It is on the basis of this completion of the reorganization of the domestic economic setup and the reconstruction and establishment of the reproduction course of post-war Japanese monopoly capitalism that the rice price policy was introduced, together with land improvement projects, as a part of the "structure for self-supply of foodstuffs," clearly with the intent of winning over upper-class farm households to the side of monopoly capitalism and as a policy backing up the rice price raise for the benefit of upper-class farm households. The result is the ¥10,000 rice price.

The Cabinet meeting on September 12, 1952, decided on the basic rice price of ¥7,500, with an additional ¥100 as incentive money for fulfilling the delivery quota, and ¥2,500 as reward for exceeding the delivery quota. (With this Cabinet decision, the price of rice which exceeded the delivery quota came to exceed the ¥10,000 mark per *koku* [150 kg].) This reward money for delivery exceeding the quota enabled the "wealthy farmers", who could deliver a larger amount of rice, to obtain special income. We find in this measure the first indication of the "policy of cutting away impoverished

peasants," which has come to be advocated openly recently. With the appearance of the "¥10,000 rice price," the policy of the so-called "agricultural administration for 30 percent of the farmers" was pushed to the fore. In other words the policy of increasing food production in general, which had been followed until then, shifted to the policy of encouraging increased production toward the top 30 percent of the farmers.

The rice price policy of "¥10,000 rice price" which is the concentrated expression of the "agricultural administration for 30 percent of the farmers" not only is a means of politically bribing the upper-class farmer, but also stems from the mechanism of the post-war Japanese monopoly capitalist mode of reproduction. Herein lies the significance of the "protection of the peasantry" seen in the rice price "supporting price" policy from the standpoint of economics. This in consequence, prescribed the limit of the "protection of the peasantry." Through the "¥10,000 rice price," the upper-class farmers were "protected," but only so far as they supplied the material for reproduction labor-power and at the same time remained a market for the products of monopoly capital. Therefore, when further increase in agricultural products is brought about by further advance of productivity, and when it becomes possible for a smaller group of upper-class farmers to supply the material marginal farm households which until this time have been within the frame of the object of the "protection of the peasantry," these marginal households will gradually be excluded from such "protection." The upper-class farmers, who were given an illusionary impression that if the various social conditions remained unchanged from the time the "¥10,000 rice price" was put into effect, they would be able to secure profits under such "protection," and through accumulation and expanded reproduction, could entertain prospects for moving up toward "capitalist mode of agricultural management," has now come to the point where some of them will fall below the line limiting the object of the "protection" policy, while some others will barely manage to stay within the limit. (The rising trend of the dividing line of the differentiation of the peasantry at the present stage clearly indicates this fact.

Under such a mechanism, the dream of developing to a "capitalist mode of agricultural management" will disappear even for top-level upper-class farmers. However, it is their nature to remain to the last as a bulwark of State monopoly capitalism, with illusions about the limit of the "protection of the peasants" policy and believing that there is some room for them to obtain some surplus, that is,

profits, compared with the average farm households, and utilizing the village structure controlled by peasants to their own advantage. In general, the meaning and the limit of "peasant protection" in the price policy for agricultural products must be understood on the basis of rules which govern the position of agriculture in the reproduction structure of total social capital and in the light of the stratified nature of the peasantry.

4. Development of Agricultural Productivity and Formation of Prices of Agricultural Products

Basis for the Establishment of the "Basic Law of Agriculture" and Its Deceptive Nature

TABLE 9
CHANGES IN RICE PRODUCTION AMOUNT

Production Year	Total of Waterfield Rice & Dry-land Rice		Harvest Amount Per <i>Tan</i>	
	Planted area (1,000 cho)	Actual crop amount (unpolished rice: 1,000 tons)	Waterfield rice (unpolished rice: kg.)	Dry-land rice (unpolished rice: kg)
1945	2,893	5,872	206	69
1946	2,804	9,208	333	135
1947	2,908	8,798	309	71
1948	2,982	9,960	339	190
1949	3,012	9,383	319	124
1950	3,036	9,651	324	177
1951	3,042	9,042	306	110
1952	3,034	9,923	334	178
1953	3,040	8,239	278	134
1954	3,077	9,113	306	132
1955	3,249	12,385	393	174
1956	3,270	10,899	345	137
1957	3,266	11,464	361	167
1958	3,280	11,993	376	174
1959	3,316	12,501	388	186
1960	3,336	12,858	398	172

Source: 1961 "Statistics of Agriculture, Forestry, Fisheries (pocket edition)" mentioned earlier, pp. 128-9. In the total amount of actual harvest of waterfield and dry-land rice, fractions below 0.4 or less than 1,000 tons were cut off while those above 0.4 were included.

The amount of rice production, which had not even once exceeded ten million tons in the actually harvested amount in the ten years

since the end of the War, increase to 12.38 million tons in one leap in 1955, and has continued to maintain the level of over 10 million tons every year since then. In 1959 and 1960, the actual harvest amount exceeded the level attained in 1955. The harvest amount per *tan* has also increased greatly, with 1955 as the turning point (cf. Table 9). Though there may be some doubts about attribution the bumper crop in 1955 entirely to the development of agricultural technique, no one can deny, in view of the six years of bumper crop in succession since then, that this is not merely due to weather conditions and that it indicates the attainment of a new stage in the growth of agricultural productivity, marking a new epoch. This is also shown by the fact that, with 1955 as the dividing point, the production cost per *koku* has dropped to below the ¥6,000 level (cf. Table 10).

TABLE 10
PRODUCTION COST OF RICE PER *KOKU* (150 kg.)

Year	Production Cost (yen) (excluding taxes and other public charges)	Index with 1953 set as 100
1953	6,237	100
1954	6,417	103
1955	5,443	87
1956	5,949	95
1957	5,912	94.8
1958	5,908	94.5
1959	5,693	91.4

Source: "Statistics of Agriculture, Forestry, Fisheries Stati. (pocket editions)" for 1957, 58 and 61.

However, the dropping of the production cost to below the ¥6,000 level from 1956 onward, occurs generally only among farmers with over one cho of farm holdings (cf. Table 11). Furthermore, this table shows that, generally speaking, the production cost per *koku* becomes lower the higher the class is. In viewing the primary production cost per *koku* of farm households which produce agricultural products to sell, it becomes all the more clear that in the classes above 3-tan farm holding the production cost becomes lower, the higher the strata of the farm households (cf. Table 12). This fact indicates that productivity is higher in the case of upper-class farm households and that this class will have a greater surplus, that is, profits (nevertheless, it must be noted that, if we fix the production cost of the highest cost group as 100, there is a tendency of a relative increase

TABLE 11
 PRODUCTION COST OF RICE PER *KOKU* BY CLASSES OF ALL
 FARM HOUSEHOLDS SURVEYED
 (Secondary Production Cost=Primary Production Cost+Capital
 Interest+Ground Rent)

Size of Cultivated Land	1953		1954		1955		1956		1957		1958		1959	
	Pro- duct- ion cost	In- dex	P.C.	In- dex	P.C.	In- dex	P.C.	In- dex	P.C.	In- dex	P.C.	In- dex	P.C.	In- dex
under 3 tan	7,085	100	7,161	100	6,224	100	6,525	100	6,370	100	6,346	100	6,349	100
3-5 tan	6,655	94.1	6,840	95.7	5,896	94.7	6,397	97.9	6,161	96.7	6,322	99.7	6,149	96.8
5-10	6,509	91.9	6,489	90.6	5,672	91.2	6,230	95.5	6,145	96.5	6,217	97.9	5,955	93.8
10-15	6,224	87.8	6,159	86.1	5,359	87.7	5,977	91.6	5,852	92.9	5,773	91.2	5,567	87.7
15-20	5,700	80.5	5,856	81.8	5,028	80.8	5,385	82.6	5,664	88.9	5,680	89.6	5,422	85.4
20-30	5,730	81.0	6,229	87.0	4,957	79.7	5,494	84.2	5,608	88.0	5,575	87.9	5,506	86.7
over 30	5,969	84.2	7,403	103	5,244	84.2	5,342	81.8	5,593	87.8	5,391	85.0	5,158	81.2

(Source: Agriculture-Forestry Ministry's "Results of Rice Production Cost Survey" for each year.)

TABLE 12
 PRODUCTION COST OF RICE PER *KOKU* OF PRODUCT-SELLING FARM HOUSEHOLDS
 (Primary Production Cost=total of all cost—prices of bi-products)

Production cost by year class	1954		1955		1956		1957		1958		1959	
	pro- duction cost	Index	P.C.	Ind.	P.C.	Ind.	P.C.	Ind.	P.C.	Ind.	P.C.	Ind.
under 3 tan	5,436	98.3	4,837	96.9	5,489	98.8	5,345	99.2	5,191	94.3	5,128	96.7
3-5	5,553	100	4,989	100	5,560	100	5,390	100	5,515	100	5,310	100
5-10	5,551	100	4,973	99.7	5,415	97.3	5,380	99.7	5,441	98.7	5,217	98.2
10-15	5,278	95.1	4,723	94.7	5,099	91.8	5,096	94.6	5,093	92.4	4,888	92.1
15-20	4,819	86.3	4,404	88.2	4,579	82.1	4,887	90.7	4,900	89.0	4,720	89.0
20-30	4,605	82.9	4,223	84.7	4,455	80.1	4,905	92.6	4,864	88.2	4,826	90.9
over 30 tan	4,555	81.0	4,381	87.8	3,709	66.7	4,758	88.3	4,708	85.3	4,531	85.4

(Source: Agriculture-Forestry Ministry's "Results of Rice Production Cost Survey" for each year.)

in the production cost of upper-class farmers).

It is not only the productivity which rises as the class of farmers rise. The upper-class farmers have a higher rate of turning rice into a commodity (cf. Table 13). The fact that upper-class farm households, which have high productivity and a high rate of turning rice into a commodity, have been increasing since 1950, particularly

TABLE 13
 RATE OF TURNING WATERFIELD RICE INTO COMMODITY BY CLASS OF FARMERS
 (per household average)

Class by size of culti- vated land	All Prefectures			Tōhoku District		
	Production Amount	Sales Amount	Rate	Production Amount	Sales Amount	Rate
under 3 tan	544.8 ^{kg}	71.0 ^{kg}	13.2 [%]	525.4 ^{kg}	101.2 ^{kg}	19.3 [%]
3-5 tan	1,014.5	262.4	25.6	1,244.4	348.9	28.1
5-10	1,870.8	844.0	45.1	2,293.4	1,094.8	47.8
10-15	3,003.0	1,780.2	59.4	4,052.3	2,652.5	65.5
15-20	4,601.9	3,105.8	67.4	5,501.3	3,753.6	68.2
over-20	7,237.5	5,476.3	75.7	9,946.2	7,928.1	79.9

Source: "Report on Economic Survey of Farm Households" pp. 217, 273, 1957.

the fact that the class of over two cho of farm holdings has been increasing greatly in the Tōhoku District, which is the major rice producing area in our country (cf. Table 14; for all prefectures, see

TABLE 14.
 CHANGES IN THE NUMBER OF FARM HOUSEHOLDS BY CLASS IN THE
 TŌHOKU AGRICULTURAL DISTRICT

Class by size of culti- vated land	Actual Figures			Increase or Decrease	
	1950	1955	1960	1950-55	1955-60
Total households	750,126	761,310	785,947	+11,184	+24,637
under 3 tan	95,970	89,670	96,758	- 6,300	+ 7,088
3-5	91,728	90,685	94,670	- 1,043	+ 3,985
5-10	209,556	211,695	209,362	+ 2,139	- 2,333
10-15	159,389	164,970	166,134	+ 5,581	+ 1,164
15-20	100,522	102,845	107,182	+ 2,323	+ 4,337
over 20 tan	91,576	99,595	109,854	+ 8,019	+10,259
Exception	1,385	1,850	1,984	+ 465	+ 137

Source: 1960 Census, "Outline of Farm Household Survey Results," Vol. I, pp. 10-11.

Table 3, given earlier), means that less expensive rice is flowing into the rice market in a greater amount and that a still larger part of the socially needed amount of rice is being supplied by these upper-class farm households. This, in turn, means that the price of rice, regulated by the individual production cost of upper-class farm management, takes on a lowering trend. If the socially needed amount

of rice (social demand) increases at the same tempo or at a higher degree than the rate of increase in the amount to be supplied by these upper-class farm households, then the regulating price of rice will remain unchanged or will rise. In that case, upperclass farmers will be able to obtain a surplus. On the other hand, if the social productivity of rice grows at a rate faster than the increase in the social demand, the regulating price of rice will drop.

“The consumption of agricultural products roughly regained its prewar level in 1953. Therefore, since then, the demand for agricultural products stopped showing a high rate of increase as in the past.” Furthermore, “a larger amount of the increased part of the consumer’s income came to be directed toward clothing and housing.” As a result, more of the increase in the individual’s disposable income directed toward food expenses (marginal propensity to consumption of food), which was 45.7 percent in 1952 and 62.6 percent in 1953, dropped to 30.1 percent in 1957 and 27.6 percent in 1958.”³ This can be partly attributed to the relative lowering of the regulating price of foodstuffs based on the marked development of agricultural productivity, particularly the productivity of rice, which became manifest with the bumper crop of 1955 as the turning point. This is clearly reflected in the drop in the free selling prices of rice (cf. Table 15). This reduction in price means a fall in the regulating price, based on the supplying of the socially needed amount of rice

TABLE 15.
FARM HOUSEHOLDS’ FREE SELLING PRICES FOR RICE

Year	Nation-wide Average	
	Unpolished rice (per 60 kg)	Polished rice (per 1 kg.)
1953	5,435	94
1954	5,267	93
1955	4,622	84
1956	4,099	75
1957	4,572	82
1958	4,371	79
1959	4,233	76

Source: “Statistics of Agriculture, Forestry, Fisheries (pocket editions)” p. 105 of the 1959 edition for the years 1953 and 1954, and p. 136 of the 1961 edition for figures after 1955.

³ “Basic Problems of Agriculture and Basic Countermeasures,” compiled by the Secretariat of the Council for the Study of the Basic Problems of Agriculture, Forestry and Fisheries (published by Agriculture-Forestry Statistics Association), pp. 5 and 6.

through the increase in production by upper-class farm households. However, this does not mean an unlimited lowering of the individual production cost for upper-class farm households. Of course, it is generally true that the individual production cost is lower for the higher class of farm household. (Also, without this fact, there can be no lowering of the regulating price, apart from the imbalance in the supply and demand relations.) The differences between the production costs of the various classes of farm households are as shown in Table 16. If we consider the figures for the highest production

TABLE 16
 YEARLY CHANGES IN DIFFERENTIALS BY CLASS IN PRODUCTION
 COST OF RICE PER *KOKU*
 (100 for the highest production cost class)

Kinds of production cost; year		Class	-3 tan	3-5	5-10	10-15	15-20	20-30	30-	Difference between highest and lowest cost
Differentials in index of rice production cost per <i>koku</i> of all farm households surveyed	Primary production cost	1950	0	-5.3	-8.5	-16.0	-18.9	-20.0	-19.3	-20.0
		1953	0	-5.5	-7.4	-11.7	-19.5	-20.0	-19.3	-20.0
		1954	0	-3.7	-8.6	-13.3	-18.4	-14.6	-0.6	-18.4
		1955	0	-4.9	-8.3	-13.7	-19.3	-22.3	-22.3	-22.3
		1956	0	-1.3	-3.8	-7.8	-18.2	-16.2	-16.2	-18.2
		1957	0	-2.7	-2.9	-7.6	-11.4	-13.7	-13.8	-13.8
		1958	0	-0.2	-1.7	-8.8	-10.8	-12.5	-15.9	-15.9
		1959	0	-3.5	-6.3	-12.7	-15.2	-13.9	-19.2	-19.2
	Secondary production cost	1950	0	-5.4	-8.8	-16.2	-19.0	-20.1	-20.8	-20.8
		1953	0	-5.4	-7.1	-12.2	-19.5	-19.0	-15.8	-19.5
		1954	0	-6.3	-9.4	-13.9	-18.2	-13.0	+ 3.0	-18.2
		1955	0	-5.3	-8.8	-12.3	-19.2	-20.3	-15.8	-20.3
		1956	0	-2.1	-4.5	-8.4	-17.4	-15.8	-18.2	-18.2
		1957	0	-3.3	-3.5	-7.1	-11.1	-12.0	-12.2	-12.2
		1958	0	-0.3	-2.1	-8.8	-10.4	-12.1	-15.0	-15.0
		1959	0	-3.2	-6.2	-12.3	-14.6	-13.3	-18.8	-18.8
Differentials in index of primary rice production cost per <i>koku</i> of products-selling farm households (100 for 3-5 tan class)	1954	-1.7	0	0	-4.9	-13.7	-17.1	-19.0	-19.0	
	1955	-3.1	0	-0.3	-5.3	-11.8	-15.3	-12.2	-15.3	
	1956	-1.2	0	-2.7	-8.2	-17.9	-19.9	-33.3	-33.3	
	1957	-0.8	0	-0.3	-5.4	-9.3	-7.4	-11.7	-11.7	
	1958	-5.7	0	-1.3	-7.6	-11.0	-11.8	-14.7	-14.7	
	1959	-3.3	0	-1.8	-7.9	-11.0	-9.1	-14.6	-14.6	

Source: Agriculture-Forestry Ministry's "Results of Survey on Rice Production Cost" for each year.

cost class (if calculated from the figures for primary and secondary production costs of all farm households surveyed, this is the class with less than three tan of farm land, and if calculated from the primary production cost for products-selling farm households, then it is the 3-5 tan class group) as 100, and as the result of the relative rise in the production cost for upper-class farm households (cf. Table 11 and 12), the difference between upper-class farm households production cost and the highest production cost has been narrowed (this is particularly marked in the two to three-cho class). Viewed from the standpoint of economics, this is the result of the frequently pointed out bloating of "agricultural management expense" (herein is indicated the limit of the development of the productivity of rice). In other words, the vector of the lowering of the individual production cost through the productivity increase of upper-class farm households is being curbed by the bloating of "agricultural management expenses." (This, of course, does not mean that all causes for the lowering of the individual production cost are being nullified by this). Table 17 shows the expansion of agricultural management

TABLE 17
CHANGES IN AGRICULTURAL MANAGEMENT EXPENSES BY CLASS
(average per household)

Class by size of culti- vated land	Year		1954		1955		1956		1957		1958		1959	
	fig.	ind.	fig.	ind.	fig.	ind.	fig.	ind.	fig.	ind.	fig.	ind.	fig.	ind.
—5 tan	45,013	100	45,526	101	51,467	114	46,439	103	44,354	98.4	49,241	109		
5-10	91,049	100	92,785	102	100,659	110	97,094	107	99,282	109	104,972	115		
10-15	130,769	100	133,932	103	147,495	113	146,748	112	151,268	116	162,560	124		
15-20	166,412	100	173,727	104	185,489	112	202,689	122	209,581	126	213,871	128		
20—	219,909	100	233,049	107	252,585	115	285,986	130	288,559	131	301,957	137		

Source: Agriculture-Forestry Ministry's "Report on Economic Survey of Farm Households," for each year.

expenses by year, since 1954, and it is noticeable that the expansion rate for upper-class farm households of over two cho of farm holdings was especially high in 1957 (the year when the differences between the production costs of each class were the smallest).

The lowering of the prices of agricultural products through the increased productivity of upper-class farmers and the expansion of agricultural management expenses make it impossible for agricultural net income even for upper-class farm households to increase at the

same rate as the increase in gross income. Recently the difference between agricultural income and manufacturing industry income is widening further. The Council for Study of Basic Agriculture-Forestry-Fisheries Problems said at the very beginning of its "answer" to the Prime Minister's inquiry: "It is because the living standard and income of farmers have recently become lower compared with the standard of workers in other industries and because the differential has widened that the basic problems of agriculture have come to be discussed recently."⁴ (cf. Table 18).

TABLE 18
COMPARISON OF FARM HOUSEHOLD INCOME AND ACTUAL INCOME OF
INDUSTRIAL WORKERS' HOUSEHOLD BY YEAR

Year		Farm Household Income (1)	Actual Income of Urban Industrial Worker's Household (2)	(1) (2)
Per family	1951	256,939 Yen	198,384 Yen	129.5 %
	1952	283,620	249,864	113.5
	1953	302,656	312,300	96.9
	1954	317,362	339,396	93.5
	1955	358,098	350,028	102.3
	1956	339,720	369,312	92.0
	1957	340,639	391,968	86.9
	1958	349,469	415,956	84.0
Per member of family	1951	39,712	42,390	93.7
	1952	44,109	52,382	84.2
	1953	47,513	65,198	72.9
	1954	50,778	70,707	71.8
	1955	57,572	74,316	77.5
	1956	54,971	82,620	66.5
	1957	57,833	88,281	65.5
	1958	59,943	93,264	64.3

Source: "Basic Problems of Agriculture and Basic Countermeasures," (explanatory edition), p. 367. ((1) is by fiscal year. (2) is by calendar year.)

As regards why such a phenomenon occurs, the Basic Problems Study Council sought the cause first of all in "the lowness of productivity in agriculture." The Council emphasized that "since agricultural income is realized through agricultural production, productivity increase is necessary to achieve the balance of income thus maintain-

⁴ "Basic Problems of Agriculture and Basic Countermeasure," Council for the Study of the Basic Problems of Agriculture, Forestry and Fisheries p. 1.

ing agriculture's role in the national economy."⁵ The Agriculture Basic Law, which was formulated on the basis of "report" submitted by the Basic Problems Study Council, also lists increasing agricultural productivity through improvements in agricultural technique as one of the State's policies, together with the improvement of the agricultural structure (encouraging self-supporting management). The logic underlying this way of thinking is that the income of farmers is low because the productivity of agricultural labor is low. However, will agricultural income automatically increase if productivity is increased through the improvement of agricultural techniques and the advance of agricultural productivity in general? The level of the prices of agricultural products and production cost are the two elements which prescribe agricultural income, but what effects will the development of agricultural productivity have on the formation of prices of agricultural products?

For each farm household to increase its agricultural income, it must lower its production cost and increase the differential between its cost and the regulating price. In order to lower the production cost, the productivity of the agricultural labor of each farm household must be raised. To attain this, production ability must be raised through the raising of the level of agricultural technique, for example, by mechanization. In this sense, the progress in agricultural productivity will be a factor for increasing income for each individual farm management.

However, the progress in agricultural productivity which is carried out sporadically by individual farm management at first will gradually become general in accordance with the "basic principle of competition." When the progress in agricultural productivity becomes general and the social productivity level of agriculture becomes high, then the regulating price of agricultural product will inevitably drop. As a result, the increase in the income, which each individual farm household secured through the raising of its productivity, will once again decrease or disappear altogether. For each individual household, the greater the progress in its agricultural productivity, the greater the increase in its agricultural income. Socially, however, the more progress there is in agricultural productivity, the lower the regulating price of agricultural products will become, and for this reason, the "marginal production farm household stratum" will rise, thereby decreasing agricultural income. We must not confuse the relations of productivity development with agricultural income for each individual

⁵ Ibid., p. 4.

farm management or the relations of the development of social agricultural productivity with the formation of prices of agricultural products. Furthermore, in the case of small-scale farm management, the farm households which are unable to produce except at an individual production cost higher than the lowered regulating price (even when the marginal management scale has risen), will respond by lowering the standard of living and will not immediately abandon agricultural production. That will serve to push forward the formation of prices of agricultural products at a still further low level.

In short, it should be clearly noted that viewed from the social standpoint, the development of agricultural productivity will not increase the individual agricultural income of all farm households now existing, but will rather act to lower the agricultural income, particularly of medium and small-scale farm households, through the formation of prices of agricultural products at a still lower level. In concrete terms, this trend at the present stage is manifesting itself in the up-grading of the differentiation point of the peasantry. If the Agriculture Basic Law sets its goal as "improvement of agricultural productivity,"⁶ then it must be said from the standpoint of economics that, no matter what the subjective intention of the legislators is, it is aimed at further pushing forward this trend.

The productivity basis, which underlies the "Report" submitted by the Basic Problems Study Council and became the foundation for the formulation of the Agriculture Basic Law, is the development of agricultural, particularly, rice production ability, which has become marked since 1955, as a result of the "protection" of upper-class farmers through the "¥10,000 rice price" decided upon in 1952, and the fact that it has now become basically possible to supply the materials for the variable capital part of the total social capital with the products produced by these upper-class farm households. Therefore, the price policy for agricultural products, which hitherto had strongly tended toward a supporting price policy, has shifted toward the so-called formula of "balancing demand and supply," and in determining the price level, it urges the adoption of the production cost of farmers whose production conditions are normal, rather than that of farmers whose production conditions are inferior."⁷ Concretely, it has mapped out the inexpensive formula that "prices should be set on the basis of the production cost of 'self-supporting'

⁶ Agriculture Basic Law Bill, submitted to the Diet on February 18, 1961, General Rules, Article 1, p. 78.

⁷ "Basic Problems of Agriculture and Basic Countermeasure", p. 15.

farm households (class over two cho of farmland), and that it is not necessary to compensate the production cost of farm households whose management conditions are inferior and are below the margin." It is self-evident that by such a measure medium and small-scale peasants will be cut away. Also, what will happen to the agricultural income of farm households of "self-supporting" management?

If the increase in agricultural productivity is pushed in the direction of expanding the area under management and eliminating surplus population in agriculture, then, even if the society's total amount of agricultural income were to remain unchanged, the per capita income for persons engaging in agriculture will increase. Furthermore, if the demand for agricultural products were to increase, accompanying the "high growth" of the Japanese economy, then the society's total agricultural income will increase absolutely, thus moving in the direction of bringing about a further increase in the per capita income for persons engaged in agriculture. However, for the expansion of the area under management and for agricultural production increase, mechanization and other methods of improving agricultural technique, which in capitalist terms, means a more advanced level of the organic structure of capital, will be required. For small-scale farm management, this will appear as an increase in the agricultural management expenses and create the phenomenon where agricultural gross income will increase but there is only little increase in the net income. In this way, the increase in the per capita agricultural income will inevitably be curbed, and *Schere* will further accelerate this tendency. Thus, the marginal line for the establishment of "self-supporting management" farm households would be raised and a decrease in the per capita income for persons engaging in agriculture even among the upper-class farm households may even occur.

In this way, though the development of agricultural productivity may make it possible for a still smaller number of upper-class farmers to produce the socially needed amount of foodstuffs, agricultural management expenses will increase due to the rising organic composition of capital structure, particularly the *Schere* under monopoly capitalism. In the process of increasing the significance of agriculture as a market for farm implements, fertilizer and agricultural chemical capital, agricultural income is likely to decrease relatively so that there can be no expectations for increasing the per capita income for the self-supporting farm households. It can be said that the recent tendency for agricultural management expenses

to increase in farm households of over two-cho is already indicating this fact. Herein lies the deceptive aspect of the Agriculture Basic Law. The essential nature of the agricultural policy presented in the "Report" of the Basic Problems Study Council and incorporated in the Agriculture Basic Law is to develop social agricultural productivity by having thirty percent or even a smaller number of upper-class farm households shoulder agriculture, where task it is to supply the material for the variable capital part of total social capital, to establish, on this foundation of the development of agricultural productivity, the self-perfecting mechanism of low prices of agricultural products and low wages, and to promote, on the other hand, a more rising organic composition of capital through the development of agricultural productivity in order to cultivate domestic markets for farm implements, fertilizer and agricultural chemicals. Such measures can be said to be directed toward the consolidation and strengthening of the structure of reproduction under the monopoly capitalist form of Japanese national economy at the present stage. Consequently, the shift in the agricultural products price policy from the hitherto followed supporting price policy to a price policy of balancing demand and supply, in itself, is based on the lowering tendency of the regulating price of agricultural products stemming from the development of agricultural productivity among the upper-class farm households.

Under this mechanism governed by these laws, the medium and small-scale peasant class, which must inevitably drop out of farming, strengthens its trend toward quitting farming while at the same time creating a trend toward cooperativization of agricultural production in order to cope with the situation. At the same time, even upper-class farm households must move in the direction of cooperativization of production as an answer to the expansion of agricultural management expenses brought about by *Schere*, in order to utilize farm implements rationally, to secure necessary labor, and to economize on wages to be paid. In this way, the development of cooperativization of agriculture in recent times is, on the one hand, one form of the medium and small-scale farm households' response to "large-scale production" (upper-class farm households) at the present stage of development of agricultural productivity, while on the other, it is a upperclass farmers countermeasure against the "expropriation of the peasantry" under the monopoly capitalist type of reproduction structure.

III. NATURE OF AGRICULTURAL COOPERATIVIZATION AT PRESENT STAGE

The question of agricultural cooperativization in our country has come up on several occasions as subject of discussion in various forms.

The cooperativization of the first period was one of the pillars to prop up the semi-feudalistic land-ownership system in order to cope with its crisis, and as a result, it contained the contradictions of the semi-feudalistic landownership system. This attempt came to an end with the agricultural crisis of the early Shōwa Era. Cooperativization in the second period was conducted mostly in the form of encouragement and compulsory enforcement of joint work, as a means of solving the shortage of farm labor under the war-time setup. The system was dissolved with the end of the War. On both occasions, cooperativization was enforced compulsorily or achieved by strong social pressure as a policy ordered by the authorities. As against this, the cooperativization of agriculture at the present stage arouse spontaneously among the peasantry itself and this is its epochal characteristic. This, in essence, means that it is a form of the peasantry's response to counter the "expropriation of the peasantry" under the mechanism of Japan's monopoly capitalist mode of reproduction at the present stage. In this sense, agricultural cooperativization must be said to indicate in a concentrated form the various problems of agriculture at the present stage. This is why many researchers of agricultural problems have started to analyze the actual state of cooperativization and to explore this phenomenon from the theoretical standpoint.

However, the standpoints from which the problem of agricultural cooperativization has been argued vary greatly, and it seems that research on the matter has not yet reached the point where a definite point of view can be established. This may be only natural, considering the complexity of the subjective and objective conditions of the peasantry, which is directly responsible for the character and movement of the present agricultural cooperativization. However, we wish to put forth the premise that the problem of agricultural cooperativization at the present stage should also be studied from the analytical standpoint of the "position of agriculture in the reproduction structure of postwar Japanese capitalism."

As pointed out earlier, we consider the cooperativization of agriculture at the present stage one form of the peasantry's response to

the "expropriation of the peasantry" under the reproduction structure of the postwar Japanese monopoly capitalism. It does not need explaining that though we say peasantry as a whole, there are various classes of peasants. In accordance with these differences in class, there are differences in the nature of agricultural cooperativization as a form of the peasants' response to the "expropriation of the peasantry" by monopoly capital.

1. Two Courses in Agricultural Cooperativization

The significance of agricultural cooperativization at the present stage, viewed from the standpoint of economics, lies in its object of rationalization and lowering costs through expansion of the management scale. These two points are regarded as incorporating various other problems, such as improvement of the use efficiencies of agricultural production materials, adjustment of demand and supply of invested labor, and increasing the efficiency of labor centering on division of labor. All forms of agricultural cooperativization at the present stage have in common the purpose of lowering the production cost.

It should be noted, however, that when viewed from the standpoint of the reproduction structure of postwar Japanese monopoly capitalism, there is a considerable difference in the nature of the agricultural cooperativization of medium and small-scale farms and in the nature of cooperativization being pushed by upper-class farmers. The purpose of the farmer is to avoid falling below the marginal line of management scale while the latter, definitely above the marginal line, intend to further rationalize and cut production costs. From this standpoint, we put forth the argument that there are two courses of agricultural cooperativization at the present stage, which are clearly different in nature.

The movement for agricultural cooperativization at the present stage arose first in commercial agricultural districts, such as tangerine producing districts, but it will spread to districts producing rice, our country's basic agriculture product. There are already reports on such a spreading of the movement. The "cooperativization among the peasants, until recently, was a movement aimed at launching rice growing peasants into other fields of production (induction of commodity products suited to the land)." This tendency is endorsed by the emergence of a type of cooperativization movement recently born in the Shōnai area which is a cooperativization "for increasing income by starting livestock raising by joint management" (partial joint management). At the same time, however, must be pointed out that in the same Shōnai area, there is "another type of cooperativ-

ization aimed at cutting down production cost through joint work in the growing of rice." This type of cooperativization can be regarded as a form of response of the medium and small-scale peasants, confronted with the crisis of falling below the marginal line of "reproduction theory" due to the upward tendency of the differentiation point of the peasantry brought about by the increase in rice production by upper-class farm households. In other words, this type of cooperativization can be regarded as the medium and small-scale peasants' (one to two-cho class) attempt to counter the large-scale upper-class farmers by cooperativizing rice growing.

It must be pointed out, however, that in reality, "cooperativization is being more actively pushed among the wealthy and medium-scale farmers than among the poorer farmers." In the case of upper-class wealthy farmers, it is thought that their aim is not directly for the joint management of rice growing but rather of solving the problem of idle labor during less busy times by induction of live-stock farming, and also of supplementing the shortage of labor in the busy season with the labor to be offered by the medium and small-scale class through cooperativization. When cooperativization is pushed by the upper-class farm households and the focal point of their move is securing sufficient labor on a permanent basis for these upper-class farm households, it is more in the nature of joint work rather than that of joint management, using joint work and partial joint management (for example, joint management in the raising of chicken, pigs, etc.) as a beginning. This will probably result in letting the various contradictions set down roots deeper within cooperativization itself.

As against the type of cooperativization pushed by upper-class wealthy farmers, if joint management is conducted among medium and small-scale peasants with almost similar management conditions on the border line of the marginal limit of "the reproduction theory," then it will not only be a form of the peasants' response to the expropriation of the peasantry by monopoly capital but also be at the same time their economic confronting of the large scale upper-class farm households. This should be the basic direction of agricultural cooperativization which should be promoted. Even when cooperativization is pushed in a downward direction with the upper-class wealthy farmers taking the initiative (cooperativization from the above), it may be true that "lower class farm households will also benefit from it," and that "it cannot be said categorically that the lower-class farm households are made to suffer." Even so, there is a limitation to the process of such cooperativization in itself, and it also

contains contradictions internally, and therefore, it contains the possibility of a dissolution. It is not possible to realize complete joint management at the present stage of "cooperativization from the above," which will satisfy all concerned, in the form of eliminating employed labor for the wealthy farmer class, the creation of surplus labor which can be invested in other fields for the medium class farmers and the benefit of guaranteeing a stable place of work for the semi-unemployment surplus labor of the destitute peasant class.

Then, is "cooperativization from above" completely meaningless? This is not so. It has sufficient meaning in the following three aspects: first, it brings benefits to the "lower class farm households as well"; secondly, even such type of cooperativization will be a stimulant to spread widely the idea of agricultural cooperativization; and thirdly, the peasants who tended to be isolated and scattered in the past will be trained through such joint organized activities, awakened in the direction of solving contradictions and uniting together. At the same time, however, it must always be kept in mind that there is the possibility of such cooperativization being dissolved. The foundation which can become the basis for a practical possibility of uniting together the isolated and scattered peasants can be found only in the development of complete joint management among the peasants on the marginal line of "the reproduction theory" and destitute peasants below the marginal line. It is only in such a kind of cooperativization from below that the progressive nature of cooperativization can be found. The Agriculture Basic Law states in Article 17 as follows:

"The State shall take necessary measures for the development and improvement of projects to be carried out by the agricultural cooperative unions, such as the establishment of facilities for joint use and cooperativization of farm work, as a means of fostering cooperative work in the production process, in order to contribute to the development of family-labor farm management, improvement of productivity in agriculture and the securing of agricultural income."

It should be understood, however, that there are two courses, different in nature but objectively possible in agricultural cooperativization.

2. Possibility and Significance of "Cooperativization from Below"

The increase in the productivity of upper-class farm households under the situation of the relative lowering of the position of agriculture in the reproduction structure of postwar Japanese capitalism

has accelerated the differentiation of the peasantry through the rising tendency of the differentiation point of the peasantry. The preceding development of the non-agricultural department under the "growing" Japanese economy has brought about a decrease in the agricultural population and is driving even the 3-5 tan farm management class into the position of workers who own land.

Apart from those farm households which, with the increase in employment outside of agriculture, can cease being farm households by placing the basis of the household economy mainly on income from wages, there are farm households which must continue farm management as a farm household in its essential sense, basing their economic foundations on their agricultural income, despite the fact that the differentiation point has risen. These farm households must compete with the upper-class wealthy farm households in the arena of competition in the production of agricultural products as commodities. In order to be able to compete, they must increase their agricultural productivity. However, that the medium and small-scale farming class cannot compete with the productivity of the upper-class farm households on their present level of small-scale individual management is clearly shown in the Table comparing the rice production cost by class. Therefore, the medium and small-scale farming class must expand their management scale if they are to compete with upper-class farm households. However, as has been frequently pointed out, it has become extremely difficult for individual management to enlarge the area under management, because of the markedly high price of land, following the shifting of farmland into residential land or sites for non-agrarian enterprises. Under these conditions, the way which holds forth the greatest practicable possibility (though it is far from easy) for expansion of the scale of agricultural management is joint management. Through cooperativization, small-scale management can attain the productivity level of "large-scale management" which would have been absolutely impossible under individual management. For example, a farm household which manages one cho of single crop rice paddies can manage 3 or even 4 cho of land if three or four such farm households get together for joint management. In that case, they will be equal in the management scale to top-scale management for rice-paddy farming in our country. The fact that recently there are a very large number of cases where three to four farm households conduct joint management, seems to indicate cooperativization of this nature. The development of this type of cooperativization among the medium and small-scale farming

class can be said to be one form of the small-scale peasants' counteracting the upward trend of the differentiation point of the peasantry at the present stage.

So long as this type of cooperativization of the medium and small-scale farming class is conducted only sporadically, it may bring about an increase in agricultural income equal to that of upper-class farm households (put in capitalist term, the acquiring of surplus profits through the expansion of management). However, if this trend becomes general, the advantageous conditions will disappear, and because of the increase in agricultural productivity and in the amount of production, the prices of agricultural products will drop and the regulating price will be formed at a new level. In this way, even those upper-class farmers conducting individual management, who originally enjoyed relatively advantageous conditions, will socially lose these conditions. This, in turn, will push the upper-class wealthy farmers individually into joining the cooperativization move or cooperativization among themselves. In the latter case, it will take the form of cooperativization from above, in which the upper-class wealthy farmers will take the initiative of cooperativization and merge with medium and lower class peasants who have not yet formed cooperatives of their own. It is only when the former form of cooperativization, that is, the form in which medium and lower class peasants take the initiative and draw even the upper-class farmers into it, develops to the community or the village level that the fruits of truly democratic and forward-looking cooperativization can be obtained.

We have already pointed out that even though cooperativization progresses, it will only be bringing the existing contradictions within the classes of peasantry into the cooperatives, if cooperativization from the above becomes the predominant trend. However, even if cooperativization from below is to be pushed forward positively, it does not mean that such problems as the upward tendency of the differentiation point of the peasantry and other problems of the agrarian crisis at the present stage can be dissolved within the framework of capitalism. This is because, according to the law of the theory of reproduction under capitalism, the agricultural production sector can only realize the value of its products in a further relatively narrowing framework.

In some scattered cases, the class below the marginal management scale under the "reproduction theory" may be able to counter the rise in the differentiation point through cooperativization from below, but with the generalization of this trend and with the desperate

counter-moves in the form of further increased production by the upper-class farm households, the upward tendency of the differentiation point will probably become sharper. Particularly, if cooperativization among the upper-class wealthy farmers develops positively, then this trend will further become intensified.

Then, would this mean that, either way, agricultural cooperativization is not very significant? This is not true.

Cooperativization of agriculture will become inevitable under the structure for the formation of prices of agricultural products prescribed by the mechanism of the reproduction structure of Japanese monopoly capitalism at the present stage, particularly since the self-perpetuating system of low rice price and low wages is in the process of being formed. If cooperativization is developed widely, the peasants themselves will come to see through their own experience that it is not possible to increase agricultural income at the same rate with industrial income within the framework of capitalism even when cooperativization is pushed vigorously. And if cooperativization from below is pushed actively, the peasants will have a place to rally together in their organized activities under cooperativization, and with their keen realization that the present agrarian crisis is a structural crisis that cannot possibly be overcome within the framework of management improvement, they will become the social energy for change and renovation. Moreover, so far as cooperativization of agriculture is carried out in scattered cases, it can contain the meaning of temporary management improvement. The movement for the cooperativization of agriculture at the present stage must be evaluated from this standpoint.

SUMMARY AND CONCLUSION

The summary of the arguments presented in this paper is as follows:

The differentiation of the peasantry at the present stage is prescribed by the mechanism of the structure of reproduction of monopoly capitalism. The formation of the prices of agricultural products as a link to connect agriculture with other sectors of industry has a limitation viewed from "reproduction theory," and in view of the law of the inequality of development between agriculture and other industries, the socially needed amount of agricultural labor as a part of total social labor in the reproduction structure of the "growing" Japanese economy is moving in the direction of relative decrease. As a consequence, the development of agricultural productivity under such laws acts to lower the regulating price of agricultural products,

and by creating a rising tendency in the differentiation point, it inevitably accelerates the differentiation of the peasantry. As one form of the peasantry's response to this trend, the cooperativization of agriculture becomes inevitable but this movement can have a truly forward-looking historical significance only when it takes the form of cooperativization from below.

However, even such cooperativization of agriculture cannot give final settlement to the present agrarian crisis in itself. Rather, its historical significance lies in its making the peasants become aware that the present agrarian crisis is a structural crisis under capitalism and in them becoming the foundation for an anti-monopoly struggle, rallying together through cooperativization. It should be clearly realized that cooperativization is but one stage and one form the settlement of the agrarian crisis. The movement for the cooperativization of agriculture at the present stage should be fully appreciated in this sense. However, what form of cooperativization is pushed forward is important. Therefore it is a mistake to have the illusion that cooperativization will automatically produce the final settlement of the agrarian crisis, which is a structural crisis at the present stage.

Japan's agricultural problems at the present stage are prescribed by the reproduction structure of monopoly capitalism, and the logical link for explaining them lies in the structure for the formation of the prices of agricultural products. It must be understood that increase in agricultural income will not be attained through development of agricultural productivity and that under the present mechanism of the reproduction structure of Japanese monopoly capitalism the development of agricultural productivity creates a self-perpetuating foundation for low prices of agricultural products, that is, low wages. The agricultural problems of Japan at the present stage have now come to the fore, prescribed by the position of agriculture in the reproduction structure of the post-war Japanese monopoly capitalism, which manifests itself through the above-mentioned structure for the formation of the prices of agricultural products. Consequently, we think that the various problems of Japanese agriculture at the present stage must be viewed from the position of agriculture in the reproduction structure of Japanese capitalism which is expressed through the formation of the prices of agricultural products, and that the problems be given their rightful position and be analyzed from this standpoint. For this reason, the subtitle of this paper is: An Analysis of the Various Problems of Agriculture in the "Growing Japanese Economy."