

Pushing for three levels

The third instalment in the series on the pioneer of Japan's fishery co-operative movement recalls the efforts that went into marketing

In those days, fishermen borrowed fishing gear, but also food, clothing, and even money for weddings and funerals. All this was borrowed from merchants prior to the fishing season, and the fishermen would repay these loans with their products. This was not intrinsically a bad system, but the fishermen would leave to the merchants the responsibilities for scaling the catch, for setting all the prices, and for determining how much they would buy. On top of that, the merchants charged extremely high interest rates, as much as 2.5 per cent a month. The fishermen were thus at the mercy of the merchants. As they had no capital of their own with which to work, they were forced into conditions not unlike those of slaves. In such a situation, they were bound to remain passive and spiritless.

These merchants were based in all the large fishing cities of Hokkaido, such as Hakodate in the south, Otaru in the northwest, and Kushiro and Nemuro in the east. In the smaller fishing towns and villages, the merchants had agents working for them. Virtually every fisherman in Hokkaido had to deal with these powerful merchants.

In order to free the fishermen from their poverty, it was absolutely necessary for us to begin by abolishing the outdated relationship between the merchants and fishermen, as this relationship was one of the major causes of their poverty, and to replace them by establishing FCAs.

Before I began promoting this movement, I researched the situation throughout the nation. I discovered that only a few FCAs were engaged in joint marketing, and that one of these, in Kochi Prefecture on the southern island of Shikoku, was doing very well, so I went there on a study visit.

They had adopted feudal practices for shipping their products. The feudal lord of the region allowed the fishermen to ship their products jointly so that they could collect tax on the products. With such a system, this small prefecture handled ¥6 million worth of transactions. This amount was much higher than that of Hokkaido, even though Hokkaido's fishery production was ten times greater than Kochis.

Theories or desk-based plans alone are not effective to resolve the economic problems of fishermen. The best method is to have them apply their experience to the problem. If they are to remain united, it is particularly necessary for them to engage in joint marketing.

Therefore, when most of the FAs had been changed to FCAs, I went to Hokkaido Development Bank and asked the Managing Director, Mr Nagata, if he would give loans to the FCAs by using money from the central government's Farms and Fisheries Economic Rehabilitation Fund. However, because the fishermen already owned over ¥2 million, the bank refused to give any further loans to the fishermen.

Nagata said that if we were truly planning to engage in joint marketing, he would provide loans to the FCAs. I visited Masaki Furuya, Chairman of the Mombetsu FCAs, and suggested that he begin such joint marketing. I advised him that the fishermen should remain united so that each one could join and negotiate diplomatically with the merchants, and so that they would not be intimidated.

No alternative

He assembled the merchants of the area and informed them that the fishermen had no alternative but to sell their products

through joint marketing. He then asked if the merchants would allow the fishermen to repay their debts in yearly instalments. Fortunately, the merchant realized that they might lose everything if they did not market their products in co-operation with the fishermen, and the merchants therefore agreed to the offer.

To start the venture, however, the Mombetsu FCA had only ¥1000. I, therefore, promised them that they would be able to receive a low-interest government loan, as I had already received the consent of Mr Nagata on this matter, as mentioned above. I was pleased to find that they were able to receive at least ¥10,000 from the bank. They were then able to sell their products at prices 30 per cent higher than the average price ruling in the area.

The news of their success spread throughout Hokkaido, and the following year all the FCAs in the region began to engage in joint marketing, and eventually this movement spread throughout Hokkaido. Even the merchants came to realize the benefits of joint marketing, since the fishermen were now able to repay their outstanding loans, even if they had to do so in instalments which took several years.

Nevertheless, we met with many strong reactions from both the fishermen and the

merchants. The fishermen would sometimes tell me that my stories sounded great, but they were worried and asked, "If we have a bad harvest, will the Hokkaido government feed us?" I would always reply by telling them to be patient, to bear with the current disabilities so as to ensure a promising future. I continually reminded them that they had to save for a rainy day, and that they should remain brave.

I visited every small fishing community and spoke to the people, sometimes on their fishing boats and sometimes on the beaches where they were working. I tried to help them by speaking as concretely as possible about their poverty and its causes. Some of my statements were very extreme, so the fishermen did not always believe me, but, as radical as some of my statements were, I always had the strong support of the central government and its Farms and Fisheries Economic Rehabilitation Fund.

Federations organized

Once an FCA was established in each fishing village, the various FCAs had to co-operate with each other, and, in this way, the co-operative movement was developed. The next step was to organize the federation. The programme I chose to accomplish this involved establishing two levels of federations above the local FCAs —first setting up new regional

federations, and, subsequently, the Hokkaido Federation of FCAs, which we call Dogyoren. I believed it would be more effective to have such a system than to have only one large all-encompassing organization, since it would facilitate the strengthening of the functions of the FCAs.

Under the old Fishery Law, there were already 12 regional federations, but they were merely meeting salons for the fishermen, and they did not play an active part in the business of the fishermen. I thought it would be best to make use of these federations, as the government had branch offices in each of the central cities. If I appointed the directors of these organizations to chair the new FCAs, these FCAs would be able to rely on the advice and experience of these gentlemen to consolidate their foundation.

Although some fishermen had a basic understanding of co-operative ideals, they seemed unable to manage a large and comprehensive federation covering the breadth of Hokkaido. Therefore, I thought it was necessary to establish first a temporary three-tier system with regional federations on a level between Dogyoren and the FCAs. These regional federations would be more appropriate places than Dogyoren to carry out the training of the fishermen.

I suggested such a system and training programme to Superintendent Yamanaka of the Fishery Policy Section of the Ministry of Agriculture and Forestry. While he usually agreed with me regarding the matters of establishing FCAs, he did not approve of the three-tier system. He believed it was not necessary to retain the regional federations, since they did not play an important part in the system.

He thought the system would be three-tier in name only, and that the significant operations would be carried out by only the local FCAs and Dogyoren, and that the regional federations would interfere with the work of the local FCAs and Dogyoren.

Since he was in charge of the revision of the Fishery Law, he was not easily persuaded. I persisted, however, and told him that the FCAs would not neglect their

responsibilities to the umbrella Dogyoren even if they became strong and self-sufficient. I knew well enough that we could make progress only through solidarity among the three levels.

Nevertheless, he refused to give in, so I added that the co-operative movement was not working for the benefit of the federation, but for the benefit of the fishing communities, and that we had to remain in close contact with them and educate them in the ways of the co-operative movement. Within two years, I said, the FCAs will reach the next step in their development, and, at that point, the regional federations could be restructured and integrated into Dogyoren as branch organizations.

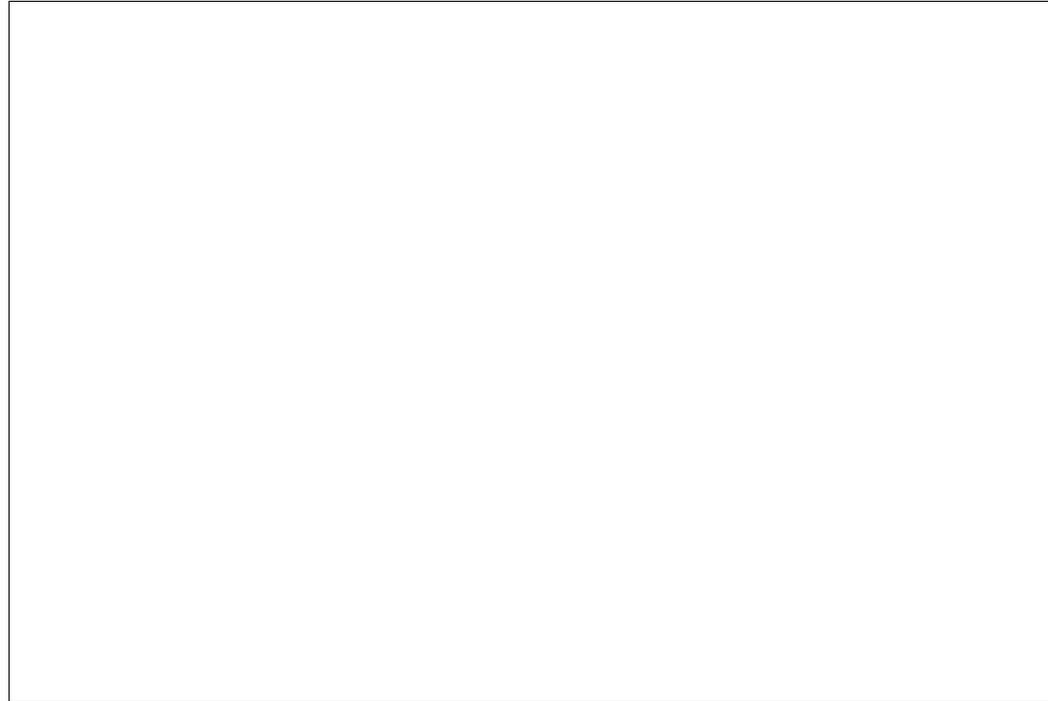
After hearing our debate, Mr Toda, Chief of the Fishery Bureau, decided that they would leave this matter to me, and thus I received the approval of the central government to promote the programme. I returned to Hokkaido and began to establish the regional federations and Dogyoren.

At about that time, there was a movement among some of the leaders of the FCAs to nominate me as the managing director of Dogyoren. At first, I turned down this offer, since I was busy with my work in the government and because my chief, Mr Kudo, did not want me to leave the department. Nevertheless, many of the FCA leaders believed that I was the only one capable of leading the co-operative movement, and they soon held a general meeting and elected me managing director without my consent.

Subsequently, Kudo discussed the situation with a Mr Kawamura, the chairman of the Mori FCA and a member of the Hokkaido Prefectural Assembly. Almost one year after I was elected, Kudo finally agreed to let me assume the post. Thus my career with Dogyoren began.

Limited staff

When I assumed the new position, I had only one staff member working with me. He had been with the Hokkaido Federation of Agricultural Co-operatives, where he had been in charge of fisheries. He had worked to establish industrial co-operatives in fishing villages.



Furthermore, he had been involved in the transactions of fishmeal and dried fish, but after the FCAs were established, these transactions came to be handled by the FCAs. He, therefore, wanted to work for the newly established Dogyoren.

The Dogyoren office consisted of only one small room in the wooden building of the government's Fisheries Department. For the first two years, I strove to organize the regional federations and to train them how to operate joint marketing. 3

This is excerpted from *The Autobiography of Takatoshi Ando*, translated by Naoyuki Tao and James Colyn