

Fishery co-operatives-2

In the cradle

The second in a series on the pioneer of Japan's fishery co-operative movement focuses on the infancy period of the movement in Hokkaido

In 1933, the Japanese government launched its Farms and Fisheries Revitalization Policy, under which farming and fishing communities were to be revitalized to deal with the conditions of poverty brought about by the worldwide depression.

We referred to this policy as the 'Self-Rehabilitation Movement'; since the government did not actually do anything concrete, apart from providing low-interest loans to fishermen. Furthermore, the government eventually became incapable of financing any more such loans.

Certain farmers and fishermen were quick to criticize the government. They believed it was shirking its responsibility and that farmers were suffering since the government had no clearly defined policy. I, however, did not see things that way. I supported the concept of 'self-rehabilitation', based on my belief in the importance of self-help and independence.

Since my youth, I had been averse to the idea that I should be dependent on the assistance of others, and I had no desire to accept any part of the inheritance my parents would leave me.

Having closely observed the society of those days, I came to understand that people often squandered their money. I realized that if a person economized and accumulated money little by little, he could build up a reasonable amount of capital and thereby establish a successful enterprise. My dream was to do that.

The co-operative movement had not yet taken hold in the fishing villages of Hokkaido, and these villages, which were dependent on primary industries, were

therefore defenceless in the dog-eat-dog world of capitalism. In the farming villages, however, co-operatives were developing slowly but steadily, and they began to establish, on their own, joint marketing systems for their rice and dairy products.

In 1933 the Japanese government revised the Fishery Law. With this revision, the Fishermen's Associations were renamed Fishery Co-operative Associations (FCAs), and the associations became responsible not only for managing the fishery rights, but also for the use of the accumulated capital of the member fishermen, so that the associations could perform the economic activity of FCAs.

With those developments, I decided to devote myself to the development of the FCAs, and therefore requested to be transferred from the Hokkaido government's Fishery Licence Section to the newly established FCA Section, where I could apply the basic ideas behind the co-operative movement to the fishing sector, the one in the worst financial condition.

My first responsibility was to recruit qualified personnel for my staff. I was fortunate to be able to hire five excellent workers from other sections. I instructed them on the theories of the co-operative movement and discussed with them what type of co-operatives would be most suitable for the fishermen of Hokkaido. One of the primary concerns was whether the FCAs should be limited-liability, unlimited-liability or guaranteed-liability co-operatives.

Explanations

Thereafter, we had to explain to the fishermen the ideas and functions of co-operatives, and let them organize their

own co-operatives as they saw fit. Since the fishermen could not understand all the provisions of the Fishery Law which concerned FCAs, I had to interpret these provisions for the fishermen.

After much discussion with the fishermen, I compiled a Guideline for Establishing FCAs in Hokkaido'. Of course, before I distributed this manual to the FCAs, I submitted it for examination to the Japanese government.

I was surprised when they told me that such guidelines were unnecessary, and I realized that the government had no strategy for guiding the fishermen. Nevertheless, I eventually convinced the government that these methods would be successful, and the time came for us to act.

After considering how and where we should begin these reforms, I selected the Hakodate Fisheries Association (FA). The reason I chose the city of Hakodate, which is located at the southern tip of Hokkaido, was that it presented the most serious challenge in terms of establishing a co-operative.

Due to a massive fire earlier that year, the city was in a critical financial shape, particularly in the two areas which had been almost completely burned down—Omori-cho and Sumiyoshi-cho. Furthermore, the government was willing to provide Y70,000 through a fishery

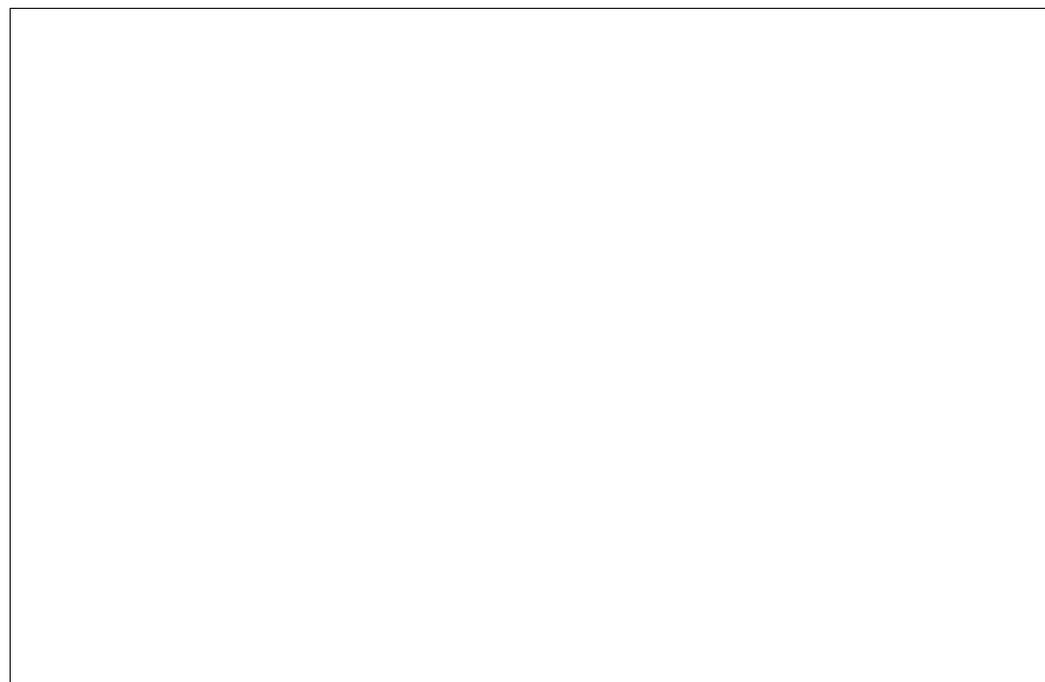
reconstruction fund, and Hakodate was a prime area to receive some of these funds.

I knew from experience that the best approach was to first tackle the most difficult part of any problem; the successive parts would then be easier to deal with. Furthermore, I believed that the human spirit becomes emboldened in the face of disaster. The fishermen in Hakodate who had lost their homes had to start from scratch, so I was convinced they would work as hard as was necessary.

I went to Hakodate and looked out over the burnt land. I then went to visit Kimura, the Chairman of the Omoro-cho Fishermen's Association, to take up the issue of establishing an FCA. After expressing my sympathies for their plight, I advised him that, if they wished to rebuild Hakodate's fisheries, they would have to accept the government loans of ¥70,000. I informed him that if they established an FCA for which all the member fishermen would work, it would not be so difficult for them to pay back the loan.

Changing fortunes

"Let's turn this misfortune into a blessing," I said. "If you retain the current form of your FA, you may not get the government loans." I persuaded Kimura that they had to reconstruct their FA into an FCA.



As he had no idea of what a co-operative was, I had to explain in detail regarding the ideals, functions, capital structure, and so on. I did so with the help of the booklet of guidelines mentioned above. I suggested that the Hakodate WA be an unlimited-liability co-operative. He again did not understand, so I explained to him as follows:

“If, for instance you get a loan from a bank, all the fishermen who are members of the FCA—and therefore shareholders of the FCA—must sign for the loan, and therefore all the members of the WA share joint responsibility for the loan.”

“But,” he asked, “What happens when we can not pay back the loan?”

“The bank could first seize your personal property,” I replied, “since you have a fair amount of wealth and property. However, the bank would sooner make their claim on the property of one of the wealthiest individuals than on the property of hundreds of individual fishermen.”

Of course, Kimura stated that he would never want such a situation to occur, but I continued to explain: “Such a situation is theoretically possible under the terms of the law. In that case, however, you could file a suit claiming that the FCA, as a single entity, has property, and leave it

to the courts to decide. You could claim that your property, the seas, was not damaged by fire, as happened to Hakodate recently, and that your FCA owns exclusive fishing rights to the abundant resources of abalone, shell, kelp, and so on.

“The court would most likely decide that the FCA need pay back only the difference between the amount of the loans and the estimated selling price of the exclusive fishing rights, and the bank will therefore not be able to seize any of your property. In other words, the court will only be allowed to seize your property if the estimated cost of the fishing rights are insufficient to pay back the loans.”

I then asked Kimura if he would consider selling the rights for, say, Y20,000-30,000, and he responded that such a thought would never cross his mind, since the local fishing grounds were excellent resources. I told him he was absolutely correct, and he therefore should have no reservations about accepting unlimited liability. Now, he said, he understood completely, and he would be more than willing to initiate an unlimited-liability FCA.

Influential person

Kimura was the wealthiest person in the town and a very influential person. Now that I had his support, I knew we could succeed in establishing an FCA. I asked

him to call a meeting of the fishermen, at which I explained all that I had told Kimura. Furthermore, I encouraged the fishermen to unite in the struggle against their poverty by establishing a co-operative. They all agreed and soon decided to establish an FCA in Omoricho.

Immediately afterwards, I went to Sumiyoshi-cho and made similar presentations to the people there. I stressed that, as a result of the fire, they were suffering under the same conditions as the people in Omori—cho, and that they should not lag behind the advances that the other town was making. The fishermen in Sumiyoshi-cho soon also approved the adoption of an unlimited-liability FCA.

I gained much confidence through these experiences and I began to promote the restructuring of FAs into FCAs throughout Hokkaido. Within a few years, we were able to establish FCAs in all areas of Hokkaido, and 90 per cent of them were unlimited—liability co—operatives.

The government officials had thought that it would be difficult for us to convince the fishermen to change their associations into FCAs, particularly with unlimited liability, so they were pleasantly surprised when they heard how successful we had been. Since that time, the FCAs in Hokkaido have been much more vibrant than those in any other prefecture. Although the process of establishing FCAs was going well, we still faced a difficult problem with respect to the exploitation of the fishermen by the merchants. ❸

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