

Historical Development of Japanese Local Governance Vol.7

**Volume 7 The Period of High Economic Growth -
General Acceptance and Development of the
Postwar System of Local Autonomy
(1961 – 1974)**

Nagaki KOYAMA
Formerly Associate Professor
Graduate School of Library, Information and Media Studies
University of Tsukuba

Council of Local Authorities for International Relations (CLAIR)

Institute for Comparative Studies in Local Governance (COSLOG)
National Graduate Institute for Policy Studies (GRIPS)

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Contact

Council of Local Authorities for International Relations (CLAIR) (The International Information Division)

Sogo Hanzomon Building
1-7 Kojimachi, Chiyoda-ku, Tokyo 102-0083 Japan
TEL: 03-5213-1724 FAX: 03-5213-1742
Email: webmaster@clair.or.jp
URL: <http://www.clair.or.jp/>

Institute for Comparative Studies in Local Governance (COSLOG) National Graduate Institute for Policy Studies (GRIPS)

7-22-1 Roppongi, Minato-ku, Tokyo 106-8677 Japan
TEL: 03-6439-6333 FAX: 03-6439-6010
Email: localgov@grips.ac.jp
URL: <http://www3.grips.ac.jp/~coslog/>

Foreword

The Council of Local Authorities for International Relations (CLAIR) and the National Graduate Institute for Policy Studies (GRIPS) have been working since FY 2005 on a “Project on the overseas dissemination of information on the local governance system of Japan and its operation”. On the basis of the recognition that the dissemination to overseas countries of information on the Japanese local governance system and its operation was insufficient, the objective of this project was defined as the pursuit of comparative studies on local governance by means of compiling in foreign languages materials on the Japanese local governance system and its implementation as well as by accumulating literature and reference materials on local governance in Japan and foreign countries.

In FY 2009, we continued to compile “Statistics on Local Governance (Japanese/English)”, “Up-to-date Documents on Local Autonomy in Japan”, “Papers on the Local Governance System and its Implementation in Selected Fields in Japan” and “Historical Development of Japanese Local Governance”. We also continued to conduct a search for literature and reference materials concerned with local governance in Japan and overseas to be stored in the Institute for Comparative Studies in Local Governance (COSLOG).

If you have any comments, suggestions or inquiries regarding our project, please feel free to contact the Council of Local Authorities for International Relations (CLAIR) or the Institute for Comparative Studies in Local Governance (COSLOG) of the National Graduate Institute for Policy Studies (GRIPS).

March 2010

Michihiro Kayama
Chairman of the Board of Directors
Council of Local Authorities for International Relations (CLAIR)
Tatsuo Hatta
President
National Graduate Institute for Policy Studies

Preface

This booklet, one of a series which started to appear in 2009-10, is one result of collaboration that started in 2005 between the Institute for Comparative Studies in Local Governance, National Graduate Institute for Policy Studies, and the Council of Local Authorities for International Relations, under the title, “Project on the overseas dissemination of information on the local governance system of Japan and its operation”. For the purpose of implementing the project, a “Research committee for the project on the overseas dissemination of information on the local governance system of Japan and its operation” was established, and a chief or deputy chief with responsibility for each part of the project have been designated.

Within the framework of the above project, we began to study in 2008 how to establish and take forward a self-contained project under the title “Historical Development of Japanese Local Governance”. The project will comprise the publication of 10 volumes in the form of booklets which will examine the formation, development process and history of local governance in Japan. We are convinced that the results of the research that underlies this project will be of immense use in the comparative study of local governance in many countries. The work has been taken forward primarily by the core team members listed below, and it is planned that all the research will be brought together by the publication, one at a time, of a booklet authored by each team member during 2010 and 2011.

(Chiefs):

Hiroshi IKAWA	Professor, National Graduate Institute for Policy Studies
Akio KAMIKO	Professor, School of Policy Science, Ritsumeikan University

(Deputy Chiefs):

Atsushi KONISHI	Director-General, Research Dept., Japan Intercultural Academy of Municipalities
Nagaki KOYAMA	Formerly Associate Professor, Graduate School of Library, Information and Media Studies, University of Tsukuba (until March 2009)
Makoto NAKADAIRA	Professor, Graduate School of Human and Socio-Environmental Studies, Kanazawa University (since May 2010)
Yasutaka MATSUFUJI	Professor, Faculty of Regional Policy – Department of Regional Policy, Takasaki City University of Economics

This booklet, Vol. 7 in the series, “Historical Development of Japanese Local Governance” is authored by Prof. Nagaki Koyama and gives an account of the development process and history of local governance in Japan in the period 1961-1974.

The period (1961-1974) covered by this volume can be termed one in which local governance in Japan found itself having to respond to the very rapid changes in local and regional society brought about by Japan’s high economic growth. It is within this context that this volume introduces the history of local governance and changes in local finance on the basis of the current of the times and the movement of national policies.

From now on too, we aim to strengthen this series, by continuing to examine and research the formation and development of local governance in Japan.

I would like to express my heartfelt appreciation to Professor Koyama, and also to other members of the research committee for their expert opinions and advice.

Lastly, I need to thank Mr. Maurice Jenkins for his work in translating this booklet into English from the original Japanese booklet.

March 2010

Hiroshi Ikawa
Chairperson
Research committee for the project on the overseas dissemination of information
on the local governance system of Japan and its operation
Professor
National Graduate Institute for Policy Studies

**Volume 7 The Period of High Economic Growth —
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Formerly Associate Professor
Graduate School of Library, Information and Media Studies
University of Tsukuba

Introduction

The seventh stage (1961-1974) in this history of local autonomy corresponds broadly to the period of high economic growth in Japan.

The upturn of the Japanese economy that began in July 1958 lasted for 42 months until December 1961. The cabinet of Ikeda Hayato, formed in July 1960, put priority on the economy, and in December 1960, a cabinet decision approved a plan to double the national income, putting priority on tax reduction, social security and public investment, thereby firmly committing Japan to the promotion of high-level economic growth. Projects aimed at inviting industries to participate in regional and local development could already be found all over Japan, and in support of these efforts, positive measures were taken to carry out public investment with the aim of consolidating Japan's basic industrial infrastructure. In 1962, the Law to Promote the Construction of New Industrial Cities was enacted, and in October of that year, the basic development formula was adopted within the framework of the Comprehensive National Development Plan, approved by a cabinet decision.

A period of adjustment of the plan followed, running from the end of 1961 into 1962, and from November 1962, the economy showed signs of revival, including the effects of public investment in advance of the Tokyo Olympics (to be held in October 1964), and from this point on, the Japanese economy developed rapidly. In April 1964, Japan became an Article VIII IMF country, meaning that it could no longer impose exchange restrictions, and subsequently became a member of OECD. Japan had become a member of the group of advanced countries, and its status in international society advanced rapidly.

Responding to an expansion of urban areas and daily living space, there was a heightening of demand for wide-area administration, and a movement called "New Centralization" was born. Hitherto, local governments had possessed a measure of authority, but what now happened was that the exercise of administrative authority was raised to central government level, various kinds of public corporations were established, and efforts were made to strengthen outlying branch offices of national agencies. Against this background, various proposals were put

forward concerning the redistribution of administrative duties between central government and local governments, and within local governments too, plans for municipal mergers and wide-area administrative policies were taken forward, while at the same time, it became possible to identify movements aimed at prefectural mergers and the formation of unions or federations linking prefectures.

In November 1964, a new cabinet was formed under Sato Eisaku. At this time, a shadow began to hang over the economy, and from the beginning of 1965, Japan suffered a serious economic downturn. In the face of this situation, the Government carried out a policy change, shifting from policies aimed at achieving financial equilibrium to proactive financial policies to be realized by means of the large-scale issuing of national bonds. As a result, the economy once again showed an upturn from November 1965, and this time, the prosperity continued for 57 months, the longest period of growth in Japan's postwar history, until July 1970. In 1968, Japan's GDP was the second highest in the world, after West Germany. Furthermore, in June 1968, the Ogasawara Islands, and in May 1972, Okinawa, were returned to Japanese sovereignty.

There is no doubt that high economic growth of the kind described here brought affluence to Japanese society, but precisely because the rate of growth was so precipitous, "distortions" also became much deeper. Phenomena such as pollution and traffic accidents became increasingly severe, and the depopulation of rural areas was accompanied by increasing urban congestion. As the bodies closest to the everyday lives of residents, local governments were the institutions that had to cope with the problems caused by such "distortions". A sense of unease and dissatisfaction went hand in hand with an increased awareness of individual personal rights, and citizens' movements became more prevalent. This period is also characterized by an increase in reformist local governments. Originating in this kind of context, local governments grew closer to the realities of their own situations, and instead of simply adopting national policies, struggled to show what were termed independence and leadership in their administration.

Following the announcement in August 1971 of policies in defense of the dollar by the administration of U.S. President Nixon, the rate against the dollar was set at 308 yen by the Smithsonian Agreement of December 1971, leading to fears of a depression as a result of the high yen rate. However, the international competitiveness of Japanese industry recovered thanks to the efforts put into technological innovation, and the Government of Prime Minister Tanaka Kakuei, formed in July 1972, set out plans to "remodel the Japanese archipelago". Under this slogan, a very large budget was drawn up for fiscal 1973, centered on public investment. From January 1972 to November 1973, the favorable economy showed signs of overheating as a result of expansion, and prices soared in the context of land speculation resulting from Prime Minister Tanaka's expansionist policies. Then came the first oil shock in October 1973, and in Japan,

stocks of items related to daily living began to run short as a result of hoarding, while prices went through the roof. In 1974, minus growth in the real economy was recorded for the first time since the war. In this kind of situation, the Japanese economy experienced a wave of internationalization, and the period of high economic growth moved toward its end. Thereafter, Japan moved to a period of low growth.

On the basis of socio-economic trends as well as movements in local autonomy, constituting the background to this seventh period in the history of local autonomy in Japan, the composition of this paper will be as follows:

Chapter 1 will set out, against the background of a period of high economic growth, the way in which local and regional economies were promoted, and will detail the local administrative and fiscal system reform policies adopted in response to this situation.

Chapter 2 will first look at the movement known as “New Centralization”, which arose out of the demands for a widening of the physical area of local administrative jurisdiction, and will then explain the ways in which wide-area administration in local governments grappled with such issues as the merger of municipalities, the theory of prefectural mergers, and the existence of a wide administrative jurisdictional area that included a mix of different kinds of municipalities.

Chapter 3 will examine ways in which local governments responded to “distortions” caused by high-level economic growth, such as pollution, depopulation of rural areas and excessively high density in urban areas, spiraling land prices and so on.

Chapter 4 will discuss such issues as the frequent occurrence of citizens’ movements and the trend toward reformist local administrations against the background of the “distortions” caused by high-level economic growth.

Chapter 5 will examine, as a new development in local government administration, areas such as system reform concerned with matters that were not adequately incorporated into postwar reforms.

Chapter 6 will look at the movement concerned with the establishment of the system of local public officials.

The final chapter, Chapter 7, will deal with local taxation and financial matters. Responses to individual issues such as regional and local development, depopulation and excessive density, and so on, are dealt with in separate chapters; this chapter looks at the way in which local fiscal and financial policies responded to trends in the national economy within a very broad framework.

1 Promotion of Regional and Local Development

1.1 Promotion of Regional and Local Development

(1) Enactment of various laws to promote regional development

Following the promulgation in 1950 of the Comprehensive National Land Development Act, a number of laws to promote various kinds of regional development were passed with the aim of correcting the imbalance between different regions of Japan. Specifically, these comprise the Hokkaido Development Law (May 1950), the Tohoku Development Promotion Law (May 1957), the Kyushu Regional Development Promotion Law (March 1959), the Shikoku Regional Development Promotion Law (April 1960), the Hokuriku Regional Development Promotion Law (December 1960), and the Chugoku Regional Development Promotion Law (December 1960). These laws regulated matters such as the preparation of development promotion plans aimed at stimulating the comprehensive development of resources in those regions of Japan that were lagging behind.

On the other hand, in the case of large conurbations, with a view to tackling the deepening problems of large cities, the National Capital Region Development Law was promulgated in April 1956. As well as restraining further increases in population density in existing urban areas, the basic direction of this law aimed at dispersing and encouraging people and industries to move to peripheral cities, any by creating suburban belts between existing cities, at restraining city expansion. Other laws of this kind followed one after another, including the Kinki Conurbation Infrastructure Law (July 1963), the Chubu Conurbation Infrastructure Law (July 1966), with the result that similar laws can now be found in almost all regional areas in Japan.

(2) Formulation of the National Comprehensive Development Plan

The Comprehensive National Land Development Law of 1950 had as its goal the formulation of a Comprehensive National Development Plan, but more than 10 years after the law was enacted, this aim remained unrealized. During this period, as previously noted, comprehensive land development centered on specific areas was implemented, but it did not take the form of a plan systematically promoted over the whole country. Subsequently, in the context of the growing need to cope with the two issues of “excessive urban expansion” and “disparity between local areas”, renewed demands were made for a comprehensive national development plan to be drawn up.

The Comprehensive National Development Plan, that was approved by a Cabinet decision on October 5, 1962, took account of the need “to restrain excessive urban expansion” and “to correct the imbalance between regions” and, at the same time as doing this, set out as an objective the attainment of balanced development in different regions. The method adopted as

the means of achieving this goal effectively was the key area development base formula. According to this formula, regions other than the cities of Tokyo, Osaka and Nagoya, and the peripheral areas surrounding them, were to be categorized according to their respective stage of development, and by forming links with existing centers of population, bases for large-scale development were to be established. At the same time, the formula provided for medium-scale and small-scale development bases to be established, and it was expected that by means of high-grade transport and communication links, the points could be linked in an organic fashion, rather like a chain of beads, and while mutually influencing each other, would also have a beneficial influence on the peripheral farming, fishing and forestry industries, and induce development in the form of a chain reaction. It was decided that on the basis of this formula, various kinds of bases would be selected and the necessary infrastructure put in place.

1.2 Promulgation of the Act to Promote the Construction of New Industrial Cities

The laws that were enacted for the purpose of specifically promoting the key area development base formula were the Law to Promote the Construction of New Industrial Cities (implemented in August 1962), and the Law to Promote the Development of Specified Industrial Development Areas (implemented in July 1964).

The first of these two laws aimed to prevent excessive concentration of people and industry in existing large urban areas, and to correct imbalances between regions. At the same time, with the objective of achieving stable employment, it aimed to promote the construction of new industrial cities which would become the core of local development, and to contribute to the balanced development of the country as a whole as well as to the economic development of the Japanese people. The areas in which new industrial cities were to be located should be ones that were judged to have the possibility of housing an industrial city of considerable size in the future, and in particular should be equipped with the following characteristics.

- the environmental and social characteristics to enable the construction of new industrial cities to be carried out in a comprehensive manner.
- the possibility of easily confirming the availability of land for factory development of a considerable size as well as housing development.
- the possibility of easily confirming the availability of water for industrial use as well as for domestic use.
- the potential for convenient transport of goods by such means as road, rail and water, and for the construction of the necessary facilities.
- There should be only a low likelihood of damage from such causes as flooding, high tide, land subsidence, and so on, and it should be easy to take preventive action.

It was stipulated that once a new industrial city was designated, taxes such as fixed assets tax

and business tax could be set at rates other than (i.e. lower than) the usual uniform rate, and that any shortfall in revenue would be made up by means of local allocation tax; also, that by means of the “Law concerning Special Measures to Raise National Finance to Cover the Costs of Constructing New Industrial Cities as well as the Development of Specified Industrial Areas” (implemented in May 1965), special arrangements would be made concerning public facilities in the area in question, whereby in the case of prefectures, the issuing ratio of local bonds in relation to overall costs could be raised and interest supplied, and in the case of municipalities, the national treasury subsidy rate could be raised.

With heavy chemical industrial complexes in the lead, in the new industrial cities that set key area development bases as their goal, a very large number of local governments expressed their eagerness to take advantage of the conditions offered, and competed with one another to get government approval for their application in what could be called the petitioning war of the century. The result of this was the creation of 15 new industrial cities, exceeding the government’s initial estimate, and in addition, , on the same conditions as the original 15, on the basis of the Law to Promote the Development of Specified Industrial Development Areas, 6 of these areas were deemed to meet the conditions for, and were treated in the same way as the 15 industrial cities.

1.3 The expansion of local fiscal measures to promote local and regional development and to correct imbalances between regions

(1) The introduction of the revision of public works expenses

Linked to the promotion of regional development, what was termed the revision of public works expenses, referring to expenses for ports and harbors as well as for coastal conservation facilities, was introduced in 1962, in the context of local allocation tax. Specifically, in order to ensure that the burden of public works expenses to be borne by local governments was reflected in the calculation of standard financial demands, a supplementary correction of investment-type expenditure was carried out to provide an indicator of the amount to be borne by local governments in respect of public works expenditure on the one hand, and the amount of public works expenditure to be borne directly by central government on the other. What is described here is a device to cope with the occurrence of vast amounts of expenditure by local governments that have specially designated ports and harbors and the like, and as a result, local allocation tax has the character not only of guaranteeing the “financial demands that are ideally expected”, but also of providing compensation for “investment expenses actually incurred”.

Furthermore, from fiscal 1963, the system of supplementary correction for public works expenses related to waterways was also introduced, and since then, this formula has steadily expanded.

(2) Enactment of the Law concerning Special Measures for the National Share of the Burden of Public Works Expenses for the Development of Backward Regions

On the other hand, against the background of the widening disparity between regions that accompanied the period of high-level economic growth, raising the level of citizens' welfare and strengthening the economic base of regions that had fallen behind in terms of development was recognized as an important issue.

It was with this in mind that the Law concerning Special Measures for the National Share of the Burden of Public Works Expenses for the Development of Backward Regions was enacted (implemented in June 1961). With the aim of expanding public works in less-developed regions, this law aimed to raise the percentage share of the burden to be borne by central government in respect of public works expenses. Even before this time, there had been various laws with individually specified aims, such as the Special Measures Law for Local Financial Reconstruction, the Law to Promote Development in the Tohoku Area, the Law to Promote Development in the Kyushu Area, the Law to Promote Development in the Shikoku Area, and so on, and the new law brought these various individually oriented laws together in a more advanced, comprehensive fashion.

Specifically, in the case of prefectures in which the financial capability indicator (the figure resulting from dividing the basic income figure by the basic financial demand figure) does not reach the national average (0.46), the share of the burden to be borne by the national treasury can be raised to a maximum of 25% in accordance with the following formula (however, a limit is set whereby the contribution by the local government must not fall below 10%).

$1 + 0.25 \times ((0.46 - \text{financial capability indicator of the applicable body}) \div (0.46 - \text{the financial indicators that fell farthest below the national average}))$

(3) Enactment of the Law concerned with Special Measures for the Financing of the Comprehensive Provision of Public Facilities in Isolated Areas

In 1962, the "Law concerned with Special Measures for the Financing of the Comprehensive Provision of Public Facilities in Isolated Areas" was enacted (implemented from April 1962). Various laws embodying policies aimed at isolated areas which had not enjoyed the benefits of economic growth, such as the Law to Promote the Introduction of Electricity into Farming, Mountain and Fishing Villages, thereby enabling electric light to be provided, the Law to Promote Education in Isolated Areas, concerned with facilities to enable school attendance by children, and the Medical Provision Law, concerned with the provision of medical facilities, already existed, as well as the Law for the Promotion of Remote Islands, an example of a policy aimed at a specified kind of area. The new law linked all these existing laws together in an

organic fashion, reflecting the heightened need to devise a comprehensive policy for isolated areas of the country.

Under the new law, localities defined as isolated areas are “areas which meet the conditions specified in law in terms of such points as the number of inhabitants and other factors, and comprise mountainous, remote island and other areas which are disadvantaged in terms of communications as well as environmental, economic and cultural factors, and in which the standard of everyday life and culture is noticeably low compared to other areas of the country”. Municipalities within which isolated areas could be identified, were able, by means of preparing a financial plan showing comprehensive arrangements for public facilities in the area(s) concerned and submitting this to the Minister of Home Affairs, to receive approval to issue bonds, within the framework of the Isolated Areas Policy, in respect of the costs of providing public facilities on the basis of the aforementioned plan. Under this system, 57% of the principal and interest in respect of these costs would be incorporated into the basic financial demand for local allocation tax. Furthermore, the special example of provision for these Isolated Area Policy Project Bonds is set out in Article 5 of the Local Finance Law, and it is specified that such bonds may be used to defray expenses which could not normally be covered from this source of local revenue.

1.4 Revision of the Local Autonomy Law

(1) Provisions for determining the boundaries of municipalities with specific regard to publicly owned water surfaces

A large surface area within the industrial land required by the progress of local development, was taken up by reclaimed land that formerly consisted of water surfaces. Many factories and other facilities were located on such former publicly owned water surfaces from which the water was drained, and these constituted a major revenue source for municipalities in terms of fixed assets tax. However, there were many cases of disputes between municipalities over matters of the ownership of such reclaimed land.

Under the revision of the Local Autonomy Law carried out in November 1961, an attempt was made to set out procedures for determining the municipal ownership of such publicly owned water surfaces. Specifically, one aim was to provide a way, by means of an easily applicable procedure, of dealing with changes in municipal boundaries in cases limited to publicly owned water surfaces, and of settling any disputes related to such changes. At the same time, the revision aimed to make it possible, for example in cases where it was anticipated that a dispute was likely to arise between municipalities over ownership of former publicly owned water surfaces, for a speedy decision to be reached by the Minister of Home Affairs, or the prefectural governor concerned, in respect of the boundary between municipalities by applying the

aforesaid simple procedure.

(2) Establishment of methods of intervention in corporations in which local governments have made a financial investment

A further point is that, in the context of the ongoing progress of local and regional development, there has been a sharp increase in corporations financed in whole or in part by local government investment (so-called development corporations) having the aim of implementing a part of the projects undertaken by local government. Many such corporations were established in order to take forward the establishment of basic industrial infrastructure or urban development, and one can find cases in which local governments provide compensation for loss to the aforesaid corporations, or many cases in which local governments incur a very serious financial burden as a result of the activities of these corporations. Despite these cases, however, and despite the possibility of a burden on local citizens as a result of loss-making projects, the problem has been that the management of the corporations concerned was beyond the reach of residents or local assemblies.

In this situation, a revision of the Local Autonomy Law was undertaken in May 1962, with the aim of establishing rules concerning minimum necessary intervention in the affairs of the said corporations in such cases as investment by local governments, the guaranteeing of bonds, compensation against loss, and so on. Specifically, it is stipulated that when a local government invests one half or more of the capital in a local public corporation, a joint-stock corporation or a limited company, or when the amount of a burden borne by a local government in respect of guaranteed bonds or guaranteed compensation in the case of loss is one half or more of the capital of the said corporation, then the local government Chief is authorized to demand that an investigation is made, a report issued, and that necessary measures based on this report are taken, and is also able to demand that an audit is carried out and that an audit report is issued.

2 New centralization and the promotion of wide-area administration

2.1 New Centralization and a proposal for the redistribution of administrative duties

(1) New Centralization movement

a) Passing local government powers to the level of central government

The former Rivers Law, enacted in 1896, set out regulations centered on flood control, and specified that in principle, the administration of rivers should be handled by the governor of a prefecture as an organ of the state. A background issue of increasing importance at the time of the proposed revision of the said law was that in the context of ongoing local and regional development, it was necessary to safeguard water resources and make considerable use of them.

It was against this background that the problem arose of responding to difficult adjustment issues occasioned by differences in upstream and downstream administration respectively, in short, the need for riparian administration to be handled within a broad physical area. The net result was that the former Rivers Law was totally revised, and a new Rivers Law was enacted in 1964. Under the new law, rivers were divided into 2 categories, namely first-class rivers and second-class rivers, and first-class rivers were to be administered by the then Minister of Construction, while second-class rivers were to be administered by the prefectural governor. In the case of first-class rivers, the Minister of Construction could arrange for the administration of designated stretches of water to be handled by the prefectural governor(s) concerned. In this sense, the authority of prefectural governors in respect of rivers was handed over to the central government.

Furthermore, the Roads Law was also revised in 1964, and under the revision, the hitherto existing categorization into first-class and second-class national roads was abolished, and both categories were merged into general national roads, while administrative authority over the previous second-class national roads, which had fallen within the authority of the prefectural governor, was handed over to the Minister.

b) Increasing the strength of local branch offices

There was a widening of the movement to strengthen local branch offices of a number of central government ministries and agencies.

Looking at specific examples, after the war, the then Ministry of Agriculture and Forestry housed the Agricultural Land Bureau, which was primarily concerned with direct national responsibility for land improvement. In May 1963, focusing primarily on leadership and assistance in respect of the improvement of agricultural structures, 7 regional agricultural bureaus were established throughout the country with responsibilities targeted on a wide area of agricultural administration including the improvement of farm management.

Turning to the example of the former Ministry of Construction, 8 Local Construction Bureaus were established throughout the country after the war, and their work was centered on the direct national administration of roads, rivers, and so on. The government made efforts to expand their activities to cover the provision of help and guidance in respect of all general construction matters, including rivers, roads, city planning, housing construction, and so on, and in this case, the proposals for reform made in 1963 did not pass into law.

Another noteworthy development is the concept of a Local Affairs Agency, put forward in March 1963 by the No. 2 Specialist Sub-Committee of the Special Administrative Investigation Council. Specifically, it was proposed that the country should be divided into a number (between 7 and 9) of blocks, and in each one, a comprehensive national branch office of

(tentative name: the Local Affairs Agency) would be set up, and central government authority would be transferred to these offices. However, the concept was opposed as representing pressure on local autonomy, and its general significance was rejected in the Report of the Special Administrative Investigation Council issued in September 1964.

c) An increasing number of public corporations

At the same time as the developments described above, with a view to taking forward public projects concerned with administration, there was an increase, on the basis of special laws, in the establishment of public corporations. Examples of these are the establishment in 1962 of the Hanshin Expressway Corporation, the Water Resources Development Corporation, and the Corporation for the Promotion of Coal-producing Regions, in 1965 of the Pollution Prevention Corporation, and in 1967 of the Corporation to Promote Docks for External Trade in the Keihin Region, and the Corporation to Promote Docks for External Trade in the Hanshin Region.

(2) Proposals concerning the redistribution of administrative duties

In response to the New Centralization movement, an examination was undertaken and a report issued by the Local Government System Research Council Special Administrative Investigation Committee.

In the “Report on a Redistribution of Administrative Duties”, issued after the 9th Local Government System Research Council in December 1963, the basic thinking concerning the redistribution of administrative duties was set out. Specifically, the general direction shown in the report is that the state, representing central government, and local public bodies, representing local government, should carry out their respective duties in a spirit of cooperation, and that on this basis, the apportionment of administrative responsibility should be clarified, and that central government and local governments should reach agreement on the principles of responsibility for dealing with administrative duties as well as of the apportionment of costs, furthermore that within local governments, care should be taken to distribute as many duties as possible to municipalities (cities, towns and villages). On the basis of this report, the 10th Local Government System Research Council issued a report in September 1965, entitled “Second Report on a Redistribution of Administrative Duties”; the report set out details of the redistribution of duties in each administrative area and specific measures for correction of intervention.

Following the publication of this report, a statement entitled “Opinions and General Views on Administrative Reform” was included in the Report of the Special Administrative Investigation Council presented to the Prime Minister in September 1964. The report dealt with general issues concerned with administrative reform, but it also included “Opinions on the Reform of the

Distribution of Administrative Duties". In the first place, the following were set out as general principles of redistribution: 1) Principle of containing matters within a given locality (priority should be given as far as possible to apportioning duties closely linked to the daily lives of residents to local governments, in particular to municipalities); 2) Principle of comprehensiveness (as far as possible, administrative duties should be apportioned to those local public bodies in which a comprehensive adjustment function can be seen to exist); and 3) Principle of economy (apportionment should be carried out in such a way that costs to be borne both by the administrative organization concerned and by local residents are kept to a minimum). In addition, with reference to administrative fields of particular importance, specific details are also shown of the way in which administrative duties should be reapportioned to central government and to local governments respectively.

It should be noted, however, that the contents of the report did not become a reality.

2.2 Developments in wide-area administration

(1) Trends in municipal mergers

After what was known as the Great Showa Consolidation, there was no further development of large-scale mergers. What did happen was that against the background of high economic growth, the expansion of urban areas and residential living space continued, resulting in the feeling that time was ripe for the restructuring of parts of certain areas, particularly cities. But that said, the Law for the Promotion of the Merger of Towns and Villages, on the basis of which the Great Showa Consolidation was taken forward, mainly had the object of getting rid of small-scale towns and villages through the process of mergers, and did not target mergers between cities of a comparable size. In this situation, the Law concerning Special Measures for the Merger of Cities was enacted in May 1962. This law targeted the merger of 2 or more cities of comparable size; to give a specific example, the creation of Kitakyushu City through the merger of 5 cities of comparable size in February 1963 received the support of this law.

A further point to be noted is related to the two laws, the Law to Promote the Construction of New Industrial Cities, and the Law to Promote the Development of Specified Industrial Development Areas. The laws set out special measures for mergers in respect of the municipalities to which the laws appertain, whereby account must be taken of the contribution that mergers would make to the attainment of a suitable size for the merged municipality and to the rationalization of its organization and management; a number of large-scale mergers took place in the areas concerned. These mergers had the characteristic of being forward-looking mergers that would lead to the formation of a complete city in the future.

As explained here, it is possible to identify, during this period, movements leading to municipal mergers against a variety of different backgrounds, but there was no parallel

formation of special measures in response to these mergers, nor were special measures for mergers constructed. In this situation, a Law concerning Special Measures for Municipal Mergers was enacted in March 1965, targeted at those cases in which special measures embodied in laws concerned with municipal mergers over a wide area had been created; the new law brought together and unified the special measures already embodied in various laws. In other words, the new law did not aim to promote mergers of cities, towns and villages on the basis of a nationwide plan in the same way as had been done by the Law to Promote the Mergers of Towns and Villages; rather it aimed to eliminate items constituting barriers to mergers so that in those cases where cities, towns and villages had decided to merge of their own volition, the merger plans could move forward smoothly. Specific examples of special measures included ones concerned with the terms of appointment or the set number of assembly members, ones concerning local allocation tax, or ones concerning various conditions for the establishment of cities. The law had a 10-year period of validity, became invalid at the end of March 1975, and was subsequently renewed 3 times for 10 years at a time.

(2) Moves toward prefectural mergers and unions

In contrast to the situation at municipal level, where the area occupied by merged municipalities underwent a great expansion, the names of prefectures and the areas that they occupied had remained almost unchanged since 1890. However, with the advent of high economic growth, there was an increase in demands for types of administration that ranged over an area greater than that encompassed by a single prefecture, and in these circumstances, a lively debate about the future of prefectures ensued.

In 1963, with the economic world as the primary focus, a lively debate ensued about proposals to merge 2 groups of prefectures, Group 1 in the Kansai region, consisting of Osaka Prefecture, Nara Prefecture and Wakayama Prefecture, and Group 2, in the Tokai region, consisting of Aichi Prefecture, Gifu Prefecture and Mie Prefecture.

Against this background, in September 1963, the concept of a prefectural union was launched by the then Minister of Home Affairs, and in December of the same year, the report of the 9th Local Government System Research Council, entitled, “Report on the Redistribution of Administrative Duties”, included a “Local Public Body Union Summary” putting forward the concept of a union as a new formula under which local public bodies could act in common. As a special kind of local public body, the Local Public Body Union would have a board of directors as an executive organ (composed of the Chiefs of the participating bodies), and an investigating committee to investigate and deliberate on important matters (composed of about 20 persons, with half the members to be appointed from among the officials employed by participating bodies, and half from among persons with knowledge and experience). Concerning

the financial aspect, in addition to costs being apportioned among participating bodies, it was stipulated that an issue of bonds would also be approved. The then Ministry of Home Affairs in fact prepared a draft law for the proposed Union of Local Public Bodies, but because the process of adjustment with the moves toward prefectural mergers was never completed, the proposed bill was withdrawn while still at the pending stage.

On the other hand, in terms of developments within the Liberal Democratic Party, a summary of a Law concerning Special Measures for the Promotion of Prefectural Mergers was announced in April 1964, but it never got as far as being formally submitted to the Diet.

It should also be noted that in September 1965, the 10th Local Government System Research Council issued a report entitled “Report on Prefectural Mergers”. The report specified as a precondition the willingness of prefectures to engage in talks on mergers on their own initiative, and discussed special measures concerned with possible difficulties that might stand in the way of a merger, including the technical procedures involved, the election districts of Diet members, the terms of appointment and numbers of prefectural assembly members, guarantees of the status of staff, the calculation of local allocation tax, and so on.

For its part, the Ministry of Home Affairs, taking the contents of the said report as a basis, submitted a draft Bill on Prefectural Mergers to the Diet in April 1966, but criticisms were levied against the bill on such grounds as the fear that disparities would emerge among regions in terms of the willingness to engage in merger talks, or that even after a merger was completed, disparities between different areas would spread, so that deliberations on the bill did not move forward, and although submitted on 3 occasion, it was withdrawn on each occasion.

Furthermore, while it should be noted that movement toward mergers did not meet with success, and while the two attempts by 3 prefectures each to merge were viewed pessimistically by neighboring prefectures and did not get as far as being realized, nevertheless there were voices that hoped for a partial realization of the regional system, for example, the expression of opinion in March 1969 by the Kansai Economic Federation and in 1971 by the Japan Chamber of Commerce and Industry.

(3) Enactment of the Local Administration Liaison Conference Law

In April 1965, the Local Administration Liaison Conference Law was enacted. Following the initial submission of a bill in April 1963, this was the fifth time for the bill to be submitted before it was finally passed.

Looking in more detail at the role of the Local Administration Liaison Conference, we see that at the same time as maintaining liaison and cooperation with the local administrative organs of the state, it also aimed at carrying out liaison and cooperation functions between local governments. By this means, it aimed to promote the smooth functioning of the comprehensive

implementation of administration over a wide geographical area and to make a contribution to consolidating wide-area local management. A Local Administration Liaison Conference was established in each of the 9 “blocks” into which the country was divided, and the membership of each conference was comprised of the governors of each prefecture and the Chiefs of designated cities as well as the Chiefs of branch offices of central government. With regard to items deliberated on by the Conference, its members were to make efforts to resolve matters within their respective jurisdictions, in a spirit of respect for the Conference deliberations. As and when necessary, the opinions of the Conference on matters discussed would be transmitted to the relevant minister or other persons.

The Local Administration Liaison Conference cannot necessarily be called a strong body, but against the background of circumstances in which no law had been passed concerning the merger or union of prefectures, its creation was seen as marking one step toward wide-area administration at prefectural level.

(4) Revision of the Local Autonomy Law

a) Rationalization of the system of conferences of ordinary local public bodies

Insofar as a conference determines and establishes rules through consultation among local bodies, it is no different in its legal status from a union of local public bodies, but it is a system of implementing wide-area administration.

In the past, a conference had been established for the sole purpose of liaison adjustment in the case of administering and implementing duties in common, but under the revision of the Local Autonomy Law in November 1961, it was also able to be established for the purpose of formulating on a common basis comprehensive plans covering a wide area. Moreover, in addition to this, when necessary for the public welfare, rules were constructed whereby the Minister of Home Affairs or a prefectural governor could recommend that a conference should be established.

b) Establishment of the Local Development Corporation

The report of the 8th Local Government System Research Council, issued in October 1962 under the title, “Report concerning Local Development Cities”, contained the following passage: “There are many cases where local development cities are conceived of as including within their area a number of cities, towns and villages, and in order that construction can be implemented over a wide area in a comprehensive and unified fashion, it is necessary for the local public bodies concerned to carry out their duties in common. In such cases, it is necessary for many different kinds of duties to be handled comprehensively and in a unified fashion, and at the same time, for large-scale construction projects to be implemented efficiently and

strategically within a short time period, but it is recognized that these demands are not necessarily adequately met by the present system of partial affairs associations.” It was therefore proposed that a Local Development Corporation should be created as a new special kind of public body.

In June 1963, the Local Autonomy Law was revised, and the Local Development Corporation system was created. In order that development projects could be comprehensively promoted on the basis of a comprehensive development plan for a designated area, it was stipulated as necessary for a number of local public bodies to establish a Local Development Corporation on a communal basis. The projects that could be undertaken by the said Corporation comprised: 1) housing, water supplies for factories, roads, ports and harbors, water services, sewerage facilities, parks, etc; 2) the acquisition or the creation of land for the facilities listed in 1), or for factory space, etc; and 3) construction work concerned with making orderly arrangements pertaining to the land surface. When the time came for these various works to be implemented, the Local Development Corporation would be entrusted with the work by the various local governments (= local public bodies) concerned.

(5) Further advances in the administration of wide-area municipal zones

a) New Comprehensive National Development Plan

On May 30, 1969, the New Comprehensive National Development Plan was launched through a Cabinet decision. The New Comprehensive Plan, as it was known, was drawn up as a 20-year plan, with fiscal 1965 set as the launch year and fiscal 1985 as the final target year. A particular characteristic of the plan was the underlying conception of a wide-area livelihood zone. In the words of the plan: “Accompanying the rise in daily living standards and the dissemination of motorization, the area of daily living space is also expanding, and a new concept of daily living space is still being formed. Taking this expanded living space as the foundation for the wide-area livelihood zone concept, there is a need to arrange the appropriate distribution of various facilities within the zone, and to guarantee a living environment which meets set criteria for residents.” In other words, the plan aimed at a reconfiguration of national land, including a reapportionment of the task of minimum standards in respect of living environment, education, medical care, culture and so on, on a scale that could not be realized by cities, towns and villages working as individual units. This conception became a reality in the form of the next stage of the wide-area zone policy.

b) Developing the concept of wide-area municipal sphere administration

The report by the 13th Local Government System Research Council, issued in October 1969, contained the following passage: “Establishing a wide-area municipal zone in line with the

ongoing expansion of the everyday living space required by local residents enables, by the use of a shared municipal management approach formula, the establishment of the facilities required in such areas as road construction, fire and ambulance services, medical care, garbage disposal, education and culture, social welfare, industrial promotion, and so on, as well as accelerating the handling of the duties required over a wide area on the basis of comprehensive planning, aiming thereby to solve the various problems that the municipalities concerned will face in the short term, and at the same time, contributing to solving the issues of the balanced development of national land and problems of depopulation.”

The Ministry of Home Affairs accepted receipt of the said report, and from 1969, launched a wide-area municipal zone development policy. Broadly speaking, the zone housed a population of 100,000 people or more, and could be described as a zone for everyday social living formed by the unification of a city and surrounding farming, mountain or fishing villages. It could be established by a prefectural governor on the basis of discussions with the municipalities concerned. Specifically, the policy envisaged that the municipalities within the wide-area zone, making use of conferences and partial-affairs associations, would establish a wide-area administrative structure. This wide-area administrative structure would aim to draw up a wide-area municipal zone plan, and implement the necessary infrastructure in a comprehensive and rational way. Furthermore, in the case of the area surrounding large cities like Tokyo, Osaka, Nagoya and so on, further research was to be carried out, within a separate framework, on the subject of the urban administration of the outer area of large cities, separately from the work on wide-area municipal zones¹.

In the period 1969~1972, a total of 329 wide-area municipal spheres were established.

Number of municipalities involved: 2902 (88.8% of all municipalities)

Population within the zone: 61.396 million (58.7% of the national population)

Land area: 349,883 km² (94.0% of the total national land area)

Financial measures for the cost of drawing up a plan for a municipal zone were also devised, taking such forms as subsidies, local allocation tax, special bond issues, and so on, and a variety of projects were implemented, including the construction of roads, environmental hygiene facilities, educational and cultural facilities.

c) The creation of compound partial-affairs associations

The aim of partial-affairs associations was to carry out multiple projects or duties on a shared or communal basis, and this was interpreted by the member bodies of a partial-affairs association as meaning that all the projects or duties concerned had to be handled on a shared basis. As a result, there was an inevitable increase in the number of partial-affairs associations in one area, in line with the rise in the number of duties that had to be carried out in common.

As of August 1972, in the 329 wide-area municipal zones that had been established throughout the country, there were 2777 partial-affairs associations, making an average of 8.5 per zone. The result of this situation was that the location of responsibility became multi-dimensional, and with insufficient mutual contact and adjustment, it became impossible to develop wide-area administration in an adequate manner. Moreover, it was necessary to establish an assembly and a management structure for each partial-affairs association, and this acted as a barrier to effective management.

In the above situation, it was decided under the revision of the Local Autonomy Law of June 1974, that where shared handling of duties was carried out in the form of “mutual liaison duties”, then even if not all the municipalities making up a partial-affairs association carry out the same kind of duties in common, it is still permissible to establish a partial-affairs association (compound partial-affairs association).

3 Coping with the “distortions” arising from the high rate of economic growth

3.1 Developments in anti-pollution policies and the like

(1) The response of local governments in such forms as pollution-prevention agreements

Against a background of steep and rapid expansion of the economy as a result of the high growth rate, and of the spread of factories throughout the country as part of local and regional development, various kinds of serious pollution problems were identified from the latter half of the 1960s on; these included air pollution, water pollution and soil subsidence. Specific problems included Minamata disease (a disease caused by mercury poisoning), itai-itai disease (a bone and joint disease caused by cadmium poisoning), and Yokka-ichi asthma (a kind of asthma caused by atmospheric pollution); recognition of the outbreak of diseases caused by pollution, which became a major social problem, also dates from this period.

At national level, measures aimed at getting to grips with the pollution problem included the enactment of a law in the late 1950s aimed at maintaining a high level of water quality, but the kind of thinking that prioritized economic growth was deep-rooted; policy went no further than individual countermeasures against isolated outbreaks, and there was no sign of movement to cope with the problem on a comprehensive scale. On the other hand, at local government level, there was an active growth of citizens’ movements directed against pollution, with the result that local measures against pollution outstripped movement at central government level.

To give specific examples, as early as 1949, Tokyo Metropolitan Government enacted a pollution prevention bylaw, and in 1969, enacted the Tokyo Metropolitan Bylaw to Prevent Pollution, which established very severe regulations that exceeded existing laws and regulations

and unified the various anti-pollution policies that had been put in place up to that time. Movements to enact similar bylaws also spread to other local governments, so that by 1971, every prefecture in Japan had put anti-pollution bylaws in place. In a further move, the practice of making agreements with companies to curb the outbreak of pollution (anti-pollution agreements) became widespread among local governments. The first example was an agreement concluded between Shimane Prefecture and the manufacturers on the occasion of a move into Shimane Prefecture in 1952 by a pulp factory and a spinning factory. If we look at the situation in 1970, 106 local governments (27 prefectures and 79 municipalities) had signed pollution control agreements with a total of 496 companies. Without going into the question of whether or not these agreements had a sound basis in law, many of them covered such matters as the right of local governments to enter company premises, to halt operations, and to claim compensation for damages. In short, when combined with bylaws, the agreements enabled local governments to plug the hold of inadequacy in the national legal and regulatory system, and could be seen as representing independent and pioneering administration that aimed to find a solution to issues rooted in local realities². Looking at another aspect, there was also a spread of movements to protect the environment from being destroyed as a result of development being taken forward in the era of high economic growth in localities having a rich natural environment. In 1970, a Nature Protection Bylaw was enacted in Hokkaido, and similar moves also spread to other local governments.

(2) Enactment of the Basic Law for Environmental Pollution Control

Against this kind of background, with local governments taking the lead in getting to grips with the pollution problem, the Basic Law for Environmental Pollution Control, by which it was hoped that comprehensive measures against pollution could also be achieved at national level, was enacted in August 1967. This was followed in quick succession by a series of related laws, including the Air Pollution Control Law and the Noise Control Law in 1968, the Law concerning Special Measures for the Relief of Pollution-related Health Damage in 1969, and the Law for the Settlement of Pollution Disputes in 1970. In July 1970, the Pollution Countermeasures Headquarters (Chief: Prime Minister) was established by a Cabinet order, and efforts to unify pollution countermeasures got underway.

In November of the same year, 1970, a special session of the National Diet, which came to be known as the “Anti-Pollution Diet”, was convoked, and a total of 14 laws concerned with pollution, including a revision of the Basic Law for Environmental Pollution Control, were enacted. In connection with the revision of the Basic Law, items concerned with “harmonization with healthy economic development” were deleted from the objectives of the law. A number of other regulations were also incorporated into the revision, including expansion of the scope of

types of pollution seen as objects of the law, the transfer to local governments of part of the authority to determine environmental standards, and the establishment of a Prefectural Pollution Countermeasures Deliberation Council. Also incorporated into the law was a clear indication that in addition to the regulations contained in the Air Pollution Control Law and the Water Quality Pollution Control Law, local governments could establish independent regulations by means of bylaws.

A further development was the establishment in July 1972 of the Environment Agency; the aim of this was to enable pollution control measures to be promoted under the unified authority in respect of a single body. This marked a major advance in pollution-related administration at national level, and while this was subsequently continued, at local government level too, the promotion of pollution countermeasures continued to be a major administration issue.

(3) The promotion of traffic safety measures

With the advent of the 1960s, the rate of automobile ownership in Japan increased very sharply. Accompanying the rise in car ownership, the Meishin Expressway, which was to link Osaka and Nagoya, opened in 1963, marking the move toward the age of full-scale motorization. On the other hand, there was also a rise in the number of deaths and injuries resulting from traffic accidents, which were designated as one of the “distortions” arising from high economic growth. It was in this context that traffic safety policies became an important social issue.

In August 1967, the Japanese Road Traffic Law was revised, and a system of fines for breach of the law was established. Fines become revenue for the national treasury, but the total amount raised in fines is allocated, in the form of a Special Grant for Traffic Safety Countermeasures, to prefectures and municipalities, taking as criteria such factors as the number of traffic accidents, population density, and so on. With the aim of promoting traffic safety policies, the use of the revenue accruing from fines was limited to the installation and provision of road traffic safety facilities, such as traffic signals, road signs, pedestrian crossings, and so on, as well as to the necessary administration costs.

As a further measure, the Traffic Safety Countermeasures Basic Law was enacted in June 1970. The law enabled traffic safety countermeasures to be implemented in a comprehensive and planned manner through the agency of central government and local governments. As a result of subsequent policy developments, the number of traffic accidents, which had continued to increase, reached a peak in 1970 and thereafter declined.

3.2 Continuing depopulation of rural communities and excessive density in urban areas

(1) Countermeasures against depopulation

During the period of high economic growth, there was a large-scale movement of population from farming villages into towns and cities, and when the results of the national census for 1965 were made public, the issue of the depopulation of rural communities accompanied by excessive population densities in urban areas became a matter for full-scale debate.

The primary cause of this large-scale movement of population was the great demand for an urban labor force as the result of economic growth. However, the outflow of human resources from farming areas created barriers to maintaining the fundamental conditions required for such matters as disaster planning, education, medical care and social welfare. At the same time, it invited the collapse of production activities in farming, forestry and fisheries, and went as far as resulting in a lowering of the vitality of local society itself. There were even cases of entire communities which simply ceased to exist.

On the basis of this kind of situation, there was an increasing demand for laws embodying countermeasures against depopulation, centered on local governments, and in April 1970, the Law on Emergency Measures for Depopulated Areas was enacted. The objectives of the law can be described as follows: "In those areas of the country in which it has become difficult to maintain living standards and productive capacity in the face of shifts in the basis of local society as a result of the rapid population decrease of recent years, necessary special measures will be devised, as a matter of urgency, to implement, in a comprehensive and planned fashion, the infrastructure required to maintain an everyday living environment and productive capacity; by these means, efforts will be made to stem the population decrease and, at the same time, to strengthen the basis of local and regional society, and to contribute to raising the level of people's well-being and to correcting imbalances between different regions and localities." The law was to remain valid for a period of 10 years. The areas targeted by the law were those of municipalities in which according to the national census figures, there was a population decrease of 10% or more over the preceding 5 years, and in which financial viability indicators were below 40%.

On the basis of the law referred to above, the kind of special financial measures envisaged to assist depopulated areas included 1) raising the level of the burden on the national treasury or a financial subsidy for such projects as the construction of an integrated elementary and lower secondary school, and 2) setting up local allocation tax measures to cover (up to 70%) the principal and interest of redemption money for the issue of local bonds issued (Depopulated Areas Special Measure Bonds) in respect of the cost of establishing facilities or infrastructure such as a municipal road linking communities, an integrated elementary and junior high school,

medical care facilities, a day nursery, a welfare center for elderly persons, and so on. With specific reference to such bonds, the special measures included in Article 5 of the Local Finance Law were to be applied in the same way as for Isolated Areas Special Measure Bonds. As for other special measures, assistance measures covering a very wide range were devised, such as a system of acting for prefectures in the case of the construction or improvement of basic roads, special measures to safeguard medical care and transportation, and so on.

The total value of the projects falling within the framework of the Depopulated Areas Special Measure Bonds between fiscal 1970 and fiscal 1979 was ¥430 billion for municipalities, and ¥350 billion for prefectures, making a total of ¥790 billion. Through the use of these funds, significant improvements were made to many different kinds of public facilities and related infrastructure.

Furthermore, in parallel with these measures, with the aim of providing an institution for the training of doctors to work in isolated areas, the Jichi Medical University was established in 1972. The university is managed by an academic corporation, jointly financed by all the Japanese prefectures, which have responsibility for providing medical care in local areas. Students' costs are met by the fund thus created, and students are exempted from repayment provided that they agree to work for a set period of time in a public medical facility in an isolated area after graduation.

(2) Countermeasures against excessive urban density

On the other hand, the influx of people into cities created problems of congestion and overpopulation. The living environment in large cities took a turn for the worse, with severe housing problems, water shortages, pressure on transportation and building sites, environmental pollution problems including air and water pollution, and so on.

The situation was particularly serious in the cases of a large rise in population in the cities surrounding large urban conglomerations. Cities that are representative of those that suffered a large population increase are Sagamihara City in Kanagawa Prefecture, and Takatsuki City in Osaka Prefecture. In the case of Sagamihara City, population census figures show a sharp rise in population from 163,000 in 1965 to 278,000 in 1970, and 377,000 in 1975. In the case of Takatsuki City too, the population increased sharply from 131,000 in 1965 to 231,000 in 1970, and to 331,000 in 1975. In each case, on the basis of census figures taken every 5 years, the population increased by about 100,000 by the time of the next census, and by about 2.3 to 2.5 times the original over a 10-year period. Policies in many different areas, including the construction of schools and nurseries, arrangements for garbage disposal, sewerage construction, and so on, failed to keep pace with the population increase, and the financial situation also reached crisis point.

In response to this kind of situation, from fiscal 1971, various kinds of financial assistance measures were devised by the government, such as the creation of a system for providing assistance from the national treasury for the acquisition of land for elementary and junior high schools, and schemes of this kind were gradually strengthened. As a separate response to the situation described above, the then Japan Housing Corporation (known as the Japan Housing and Urban Development Corporation from 1981) implemented large-scale housing developments and apartment blocks, as well constructing, in lieu of municipalities, related public facilities such as elementary and lower secondary schools, roads and parks. Subsequently, a system whereby the JHC would pay out money in advance and be reimbursed by municipalities was adopted from fiscal 1967.

3.3 Advances in land use policies

(1) Advances in land use policies

Various problems concerned with land also occurred during the period of economic growth, such as confusion over land use, difficulties in obtaining land for housing or public facilities, the high cost of purchasing land, and so on. Particularly after the first oil shock in 1973, the rise in the cost of living coincided with land investment resulting from then Prime Minister Tanaka Kakuei's plan to remodel the Japanese archipelago, and the result of this was the high cost of land acquisition.

For its part, the government enacted the New City Planning Law in 1968, thereby dividing urban land into 2 categories, areas which should be positively urbanized and areas where urbanization should be restrained; the aim of this categorization was to achieve staged urbanization. And with the enactment of the National Land Use Planning Act in 1974, basic concepts concerning the use of national land, national land planning, and basic planning policies concerning land use were determined.

(2) Overview of housing development guidance guidelines

In areas where development was carried out by private developers, small-scale, chaotic development, given the name of the sprawl phenomenon, proceeded apace, and problems arose because in response to this, local governments had to establish various kinds of public facilities. However, a system based on a uniform city planning law that covered the whole country was unable to stop this kind of movement, so in this situation, local governments decided on what was termed a Housing Development Guidance Guidelines, and began to adopt the method of issuing regulations to cover small-scale housing developments and levying a charge for establishing and maintaining public facilities. This formula was first implemented in 1967 in Kawanishi City in Hyogo Prefecture, and from there, it spread over the whole country.

But that said, since the "Guidelines" were a method of administrative guidance, their effect was based on voluntary compliance by the other party. So for example, in cases of determining within the scope of the Guidelines a refusal to provide water supply where the guidelines were not complied with, problems arose in connection with related laws.

(3) Prior acquisition of land for public facilities

A major bottleneck for those local governments which sought to promote a comfortable living environment for their citizens, was the difficulty in acquiring land for public facilities because of the high cost. It was already the case in situations of this kind that various measures were devised aimed at strengthening sources of revenue for land acquisition, taking such forms as the creation of bonds for the prior acquisition of land for public use (fiscal 1967), initiation of a system of targeted subsidies for the prior acquisition of land for projects assisted by the national treasury (February 1968), and the introduction of local allocation tax to cover the expenses incurred by a land development fund (fiscal 1969).

Mention should also be made of the promulgation in June 1972 (implementation in September 1972) of the Law concerned with the Promotion of the Expansion of Publicly Owned Land. Under this law, local governments were enabled to establish a land development corporation, either as an independent body or jointly with the local government, for the purpose of implementing the acquisition, development or administration of land scheduled for prior purchase in an urban development promotion area, or of land to be used for joint-use or publicly owned facilities.

(4) Fiscal responses

Fiscal responses were also implemented. In fiscal 1969, primarily from the perspective of supplying land for housing, with the aim of freeing up and releasing onto the market land which had been in individual possession for a long time, the tax imposed on the transfer of such land was very significantly reduced.

Furthermore, in fiscal 1973, while aiming to hold down land speculation as a primary policy goal, and aiming at the same time to encourage the supply of land onto the market, the following system was established. At the level of national taxation, when land was transferred by a corporate person, a special transfer tax would be imposed in addition to the standard corporate tax, and at the same time, at the level of local taxation, a special land possession tax was created.

4 The rise of citizen autonomy

4.1 An increasing number of citizens' movements

Against the background of the various problems that arose as a result of high economic growth, including pollution, depopulation of rural areas, overcrowding and excessively high population density in cities, the full-scale development of citizens' movements could be observed from the mid-1960s on. The initial trigger or starting point was the protest movement in 1964 against the proposal to invite the establishment of a petrochemical complex in the area of Mishima and Numazu in Shizuoka Prefecture, forcing the cancellation of the project. In 1970, a pollution control agreement negotiated directly between citizens and businesses was signed in the Onahama area of Iwaki City, Fukushima Prefecture. On a broader scale, a variety of different rights were emphasized by citizens at this time, including the right to lead one's daily life in a pleasant environment, the right to sunlight, and the right to quiet.

The main background factors to the citizens' movements that occurred on a nationwide scale were the distortions resulting from economic growth that had become increasingly prominent, including pollution and destruction of the natural environment as well as depopulation on the one hand and excessive overcrowding on the other resulting from concentration of the population in large urban areas, and accompanying these factors was a rising awareness among citizens of their own rights and a distrust of politics and the administration. The following can be cited as characteristics of the citizens' rights movements: 1) a consciousness of place (arising from the awareness of the advantages and the disadvantages of everyday life in a particular locality; 2) spontaneity (not being dependent on the planning and the directions of others, but having accomplished something on one's own initiative); and 3) escape from political parties (a movement arising from the feelings and acts of citizens as free individuals).

If we look at the results of the citizens' movements, we can identify: 1) a major shift in the direction of the administration "away from development and growth and toward care of the environment and welfare"; and 2) increased sensitivity on the part of the administration to the feelings and views of citizens. On the other hand, as harmful effects arising from the citizens' movements, mention has been made of the inevitable stagnation of public projects, and the ill feelings left behind when, depending on the locality, endless delays occurred in establishing and maintaining all kinds of facilities.

4.2 Citizen participation and the increase in progressive local governments

In the unified local elections of April 1963, in what was termed a whirlwind phenomenon, progressive local governments emerged across the countries, with progressive mayors elected in the large cities of Yokohama, Kyoto, Osaka and Kitakyushu. In the case of Tokyo, a progressive governor was elected for the first time in the unified local elections of 1967, and 4 years later,

progressives reached the peak of their popularity in the unified elections of 1971. A count taken directly after those elections showed that over Japan as a whole, progressives had captured 20% of all cities.

Background factors to this phenomenon of a surge of progressive local governments were the noticeable distortions caused by the period of high economic growth, and the increase in the number of citizens' movements. People's expectations of what such governments could do, rose, but in fact, as has been pointed out, there were pluses and minuses. On the plus side, the following points can be cited: 1) there was a stronger focus on residents by the administration; 2) as a result of the posture of the administration encouraging firstly, dialogue with citizens, and secondly, participation, examples of citizen participation emerged; and 3) there was a shift in administration policies at national and local level, from an emphasis on development and growth to one on everyday life and welfare, and progressive local governments took the lead. On the other hand, on the minus side, the following criticisms were made: 1) with urban issues in the lead, there were many problem issues on which opinions for and against were divided, and the problems were simply left without a solution being found; 2) even within progressive administrations, policy mannerisms and attitudes of self-righteousness and bureaucratism flourished, and the administrations found it impossible to overcome these faults precisely because they were labeled progressive; and 3) among the progressive Chiefs who were elected, there were many who were intellectuals or leaders of workers' movements or citizens' movements, and at the same time as being "amateurs" in administration, they showed a tendency to be biased in favor of the body to which they had been affiliated.

From 1973 onwards, clouds began to hang over the remarkable progress made by the progressive governments.

4.3 Advances in community policies

As explained in 2.2 above, while on the one hand, efforts to move toward wide-area administration could be identified, on the other hand, community policies centering on everyday residential living units smaller in area than a city, town or village were also taken forward.

In urban areas, urbanization advanced as a result of the sudden influx of population, while at the same time as this, people showed on the one hand, a growing sense of having escaped from the restrictive atmosphere of local communities and on the other hand, disinterest in their immediate surroundings, and these surroundings lost the sense of functioning as a community. In agricultural areas too, as a result of the sudden decrease in population, local societies fell into a catastrophic state of collapse. Taking a more general perspective, we can say that the above situations gave rise to a range of different problems, including a worsening of the daily living environment, an increase in delinquency among young people, and problems with elderly

persons living alone, and it is against this background that the concept of community-building was formed, with calls for a restoration of human values and for a sense of social solidarity.

In September 1969, the Investigation Committee of the Quality of Life Policy Council issued a report entitled, “The Restoration of Humanity in a Forum for Community Life”. The report called attention to the collapse of hitherto existing local communities in the context of the ongoing advance of urbanization and the process of high economic growth, and appealed for the creation of a new form of community.

The Government took receipt of the report, and in April 1971, the then Ministry of Home Affairs set down a “Summary of Countermeasures concerning Community (Neighborhood Society)”. Specifically, for 3 years from fiscal 1971, in the country as a whole, 83 districts (46 urban districts, 37 agricultural districts) were designated as model communities. Further, within these districts, on the basis of cooperation between municipal governments and local residents, community planning was put on the agenda, the establishment of facilities in the form of community centers and other meeting places was undertaken, and spontaneous activities by citizens were positively encouraged. In addition, many different kinds of policies came to be implemented by local governments, particular in cities, towns and villages, the form of government closest to citizens’ daily lives and to which local residents had the easiest access, in support of community revitalization.

5 Development of a new form of autonomous administration

5.1 Creation of a system of assigning addresses

The system of assigning names to blocks of land and numbers to small sub-divisions was historically used to determine land rights, and subsequently to denote addresses, but incidents happened such as part of one block being physically separated by the intrusion of a block with a different name, or informal and formal names being used to designate the same block and so on. In short, the system became very complicated, and barriers to smooth development arose, of which the following can be cited as examples: 1) the failure of emergency services to arrive on time in the case of fire or natural disaster; 2) postal deliveries and luggage failing to be delivered promptly and to the correct address; 3) visitors and tourists being left with a bad impression; and 4) barriers to efficient service by the municipality.

On the basis of the report issued in November by the Council to Investigate Land Block Designations, the Law concerning the Designation of Addresses was enacted in May 1962. Under the new system, numbers were assigned to addresses, and the pattern of the assignment used either a block-based formula or a street-based formula. Examples are as follows:

Block-based formula	○○ Prefecture	○○ City	○○ <u>machi</u>	○ <u>ban</u>	○ <u>go</u>
			Block name	number	sub-number
Street-based formula	○○ Prefecture	○○ City	○○ <u>toori</u>	○ <u>ban</u>	○ <u>go</u>
			street name	number	sub-number

As a result of implementing this new, address-designation system, various significant contributions were made to improvements in the efficient delivery of services to residents, including the following areas: 1) citizen registration; 2) national pension payments; 3) national health insurance; 4) local tax investigations; and 5) the administration of elections and the national census. In addition, improvements were also made in such areas as postal and luggage delivery, the transport of goods, the collection of electricity, gas and water services, and so on.

5.2 Reform of the local financial accounting system

The system of local financial accounting remained the same as in prewar days, even after the introduction of a postwar system of local government, and for a long time, voices could be heard saying that it was out of tune with the changing times and that there was a need for radical reform. Following the submission of a report in March 1962 by the Committee to Investigate the Local Financial Accounting System, the Government issued in June 1963 a full-scale revision of the regulations concerning financial accounting in the Local Autonomy Law (implemented from April 1964). The content of the revision can be broadly divided into: 1) items concerned with financial structure and organization; 2) items concerned with financial management; and 3) items concerned with public facilities.

With regard to 1), i.e. matters of structure and organization, the revision established a clear division between the decision-making organ and the executive organ, and with regard also to matters concerned with budgetary implementation, items such as the conclusion of important contracts or the acquisition or disposal of financial assets, were made the subject of a resolution by the assembly. Furthermore, the revision expanded the scope of the professional authority of the chief disburser and the treasurer by adding to the authority of their respective positions responsibility for the safekeeping of revenue and expenditure items such as cash and valid securities. In addition, from the perspective of emphasizing the importance of the auditing function, every municipality was required to appoint audit commissioners, and its authority was strengthened.

With regard to 2) above, namely financial management, it was stipulated that the content of the budget should comprise not only receipts and disbursements, but such items as continuing expenses, permitted carry-overs into the next fiscal year, the creation of a debt, local bonds, etc. With specific regard to income and expenditure, having regard to the rights of citizens,

regulations were also established concerning the method of payment of income by means of securities, and the method of implementing income and expenditure by means of bank transfer. With regard to contracts, while keeping the invitation of tenders through open competition as the general principle, two new systems were created, one of securing the execution of a contract, and one of drawing up a contract for the long-term provision of electricity, water, etc. With regard to assets, it was stipulated that the scope of publicly owned assets must be legally determined, and that they must be categorized and administered as administrative assets and ordinary assets. Other new systems created were that of a designated financial institution, of a demand from citizens for an audit, and of a lawsuit initiated by citizens.

With regard to 3), i.e. items concerned with public facilities, a regulation was made concerning the designation of a building or structure as a financial asset from the point of view of safeguarding such assets, and in addition to this, a separate Article concerning “public facilities” was created, renewing the existing regulation from the point of view of use by citizens.

5.3 Enactment of the Special Measures Law concerning the Dissolution of the Assembly of a Local Government

In March 1965, as a result of the bribery scandal surrounding the election of the Chief of the Tokyo Metropolitan Government assembly, 17 assembly members were arrested including the existing TMG assembly chief. Criticism of the assembly grew stronger day by day, and demands by residents for the dissolution of the assembly became increasingly vociferous. However, the difficulty was that in the case of a large local government like that of Tokyo, the signatures of one-third of the electorate were needed in order to accede to such a demand. On the other hand, there was a movement to reconstitute the assembly as a result of mass resignations by a number of the members, but due to opposition from a section of the assembly members, this aim was not realized.

Faced with this situation, in June 1965, a Special Measures Law concerning the Dissolution of the Assembly of a Local Public Body was enacted on the basis of a draft bill submitted by Diet members. This law stipulated that an assembly could be dissolved when three-quarters of more of the assembly members were present and four-fifths or more of those members agreed with the dissolution proposal. In the same month, the TMG assembly was dissolved on the basis of the Special Measures Law.

5.4 Creation of a Basic Residents' Register

Before the reform described below, the nature of records pertaining to citizens was individually determined by separate laws, and there was no mutual relationship linking these

laws. Consequently, when, for example, citizens changed their address, they had to carry out separate procedures to register their change of address, re-register as an elector, and change their registration for national health insurance, the national pension and so on. For the municipal administration too, it was difficult to keep track of citizens accurately and to carry out administrative functions in a comprehensive and unified way.

Against the above background, in March 1966, the Deliberative Council on the Rationalization of the Residents' Register, an advisory organ to the Prime Minister, issued a report entitled, "Report concerning the Rationalization of the Basic Residents' Register". The report, adopting the standpoint of wanting to improve its over-the-counter services and to further develop administration for the convenience of the people, recommended creating a new Basic Residents' Register, unifying the various different kinds of registers that had existed hitherto, thereby forming a foundation for municipal administration pertaining to all kinds of matters affecting residents, and at the same time unifying the various kinds of declarations people needed to make when, for example, changing their address, so that they would only have to make one notification.

In line with the thinking expressed in this report, the Basic Resident Registration Law was enacted in July 1967, and implemented on November 10 of the same year.

5.5 Creation of a permanent electoral roll system

Under the postwar Public Election Law, a basic electoral roll, updated every year at a set time, was used in common for all elections. At the time of elections, a supplementary electoral roll was also used for those qualified electors who were not currently registered. This system, under which the basic roll, including people who had not moved, was renewed every year, was not necessarily rational, and the preparation of a supplementary roll by a bureau, the staff members of which were extremely busy with election preparations, raised issues of doubt concerning its accuracy.

In June 1966, the Public Election Law was revised; under the new system, the main roll became card-based and permanent, and subsequent amendments were made only for new electors and people who had moved into the electoral district, so that only their details were added to the roll each year at a set time. The new system was called a Permanent Electoral Roll System, and in principle was to be amended each year on September 30.

The Permanent Electoral Roll System was intended to be implemented in line with the establishment of the Basic Residents' Register system. On the basis of the implementation of the Basic Resident Registration Law of 1967, the Public Election Law was again revised in May 1969. In the revision, it was stipulated that registration in the electoral roll should be implemented with official authority at set times through a link with the Basic Residents'

Register. Special registration could also be carried out at the time of an election so as to ensure accuracy of the electoral roll at the same time as providing help and support for electors.

5.6 The basic concept of a municipality

Against the background of rapid and sudden changes in local and regional economic society, in order that municipalities could implement their role of managing local society in an appropriate way in the form of giving real responsibility to citizens, it was necessary for the municipality itself to get an overview of future development and confirm the basis of management for a long period into the future. This requirement was confirmed afresh by the establishment one after the other in this period of systems concerned with the planned development of local areas, taking such forms as plans for comprehensive national development, wide-area municipal spheres, city planning, and the promotion of agricultural areas.

In this context, the Local Autonomy Law was revised in March 1969, and under the revision, it was stipulated that municipalities were obliged to determine, through a resolution of the assembly, the basic concepts required for the management of comprehensive and planned administration.

5.7 The loan of land constituting an administration asset

In the case of a publicly owned asset a distinction is made between on the one hand, an asset owned by the local government in respect of which it is decided that it should be publicly used, and, on the other hand, standard assets which fall outside this categorization.

In the case of an administration asset, the establishment of a private right to the said asset is not permitted, and any act that infringes this stipulation is invalid. In practice, there was an increase in the number of cases in which a local government and the private sector jointly undertook the construction of a facility and used it on the basis of divided ownership, or where a subway line ran underneath the ground of a public facility. To dispose of all such cases by saying for legal reasons only that use was permitted for reasons other than the objective of the administrative asset concerned did not correspond to the actual state of affairs. Moreover, such uses were to be welcomed from the point of view of making effective use of land, so in June 1974, when the Local Autonomy Act was revised, it was stipulated that, within very limited boundaries, the loan of an administration asset and the establishment of land rights pertaining to the said asset should be approved. This system is generally known as the Joint Construction System for an Administration Asset.

5.8 Revision of the system of special wards

(1) Rationalization of the allocation of office duties in metropolitan Tokyo and the special wards

With regard to metropolitan Tokyo and the system of special wards within Tokyo, the 8th Local Government System Research Council issued a report in November 1962 with the title, “Report on Interim Reform of the Metropolitan System”. The report specified the following: “The present situation is that the Tokyo Metropolitan Government (hereafter TMG) has also to undertake the duties of cities in the areas of the special wards within Tokyo, and for this reason, as the excessive concentration of population and industry continues to advance, the administration of TMG becomes, quantitatively and qualitatively, complicated and enormous. The present situation is not only that it has become impossible to fulfill expectations that it should be managed smoothly and efficiently as a single management structure, but that criticisms and the implementation of an oversight of the metropolitan government by residents has not been adequately carried out.” The report continued: “It is necessary for TMG to make a large-scale delegation of duties to the special wards, and for matters to be arranged so that TMG itself to undertake the preparation of comprehensive planning drafts and large-scale construction projects, and to concentrate especially on the establishment of public facilities that are appropriate for a capital city and on the important tasks of coordination among the special wards and the other municipalities that make up Tokyo.” In these ways, the report set out views on the allocation of duties between TMG on the one hand and the special wards on the other.

Part of this report was realized through the revision of the Local Autonomy Law in July 1964. The basic direction indicated in the revision is that tasks scheduled to be carried out by cities should as far as possible be carried out by special wards as the units of administration closest to the daily lives of citizens, and in addition to transferring social welfare and similar tasks to special wards, the capacity and ability of special wards was expanded, and at the same time, special wards were given the ability to levy taxes broadly similar to those levied by cities. Further, it was decided to set up a special Conference of TMG and Special Wards to arrange liaison between TMG and the wards, as well as among the wards themselves.

(2) Restoration of the public election system for ward Chiefs

From the time of the revision of the Local Autonomy Law in August 1952 onwards, the Chief of a special ward was nominated by the governor of Tokyo after receiving the agreement of the assembly of the special ward concerned. There was debate about whether this procedure conformed to Article 93, 2 of the Constitution of Japan, which prescribed that the chief executive officers of all local public entities should be elected by direct popular vote. However, in March 1963, the Supreme Court of Japan made a judgment that “Special wards do not

correspond to local public entities as prescribed in the Constitution”³, thereby, for the time being, putting an end to the debate.

However, against the background of a trend toward multi-party assemblies, and the strange phenomenon of Chiefs who were absent for long periods in special wards, cases emerged of special wards like Nakano ward, which decided independently to pass a bylaw concerning a decision on candidates for the post of Chief, with the aim of effectively having a public election. In this kind of situation, a public election system for ward Chiefs was restored with the revision of the Local Autonomy Law in June 1974 (implemented from April 1975).

Another amendment carried out through the revision of the Local Autonomy Law was, in addition to the transfer to special wards of such duties as those concerned with public health centers, the abolition of the personnel assignment system, whereby officials were assigned by the metropolitan government to special wards to carry out duties under the jurisdiction of the Chief of a special ward as an organ of metropolitan government.

6 System of Local Public Officials

6.1 Ratification of ILO Convention 87 and revision of the Local Public Service Law

(1) The problem of ratifying ILO Convention 87

ILO Convention 87 (Convention concerning Freedom of Association and Protection of the Right to Organise, adopted in 1948) gives all workers and users, with the exception of the armed forces and the police, the right to organize. With regard to ratification of the Convention, the Council on Labor Problems, an advisory organ to the Minister of Labor, issued a report (February 1959) recommending ratification, and from 1960 onwards, a draft ratification bill and draft amendments to current domestic laws were submitted to the Diet, but they never passed beyond the deliberation stage.

During this period, repeated suits were filed with ILO by Sohyo (the General Council of Trade Unions of Japan) and Jichiro (the All-Japan Prefectural and Municipal Workers' Union) concerning infringement of the rights of trade unions to engage in labor disputes. For its part, ILO submitted recommendations on more than 10 occasions for the ratification of Convention 87 to the Government of Japan, but the recommendations were rejected. In 1965, the ILO fact-finding commission on the freedom of association (Dreyer Commission) was dispatched to Japan. The result of this convoluted history was that finally, in May 1965, the Convention was ratified, and modifications to the relevant domestic laws were enacted.

(2) Revision of the Local Public Service Law

Within the overall framework of the revision of domestic laws that accompanied the ratification of ILO Convention 87, the Law for Local Public Officials underwent major revision.

In the first place, in connection with the abolition of the “check-off” system of trade union dues, whereby the payment of trade union dues could be deducted directly from an employee’s payroll, it was prescribed that the full amount of an employee’s salary must be paid directly in cash to the employee, and that employees engaged in simple labor were also permitted to assemble in workers’ organizations. These revisions were implemented in August 1965.

It should also be noted that the implementation of large parts of the regulations dealing with such matters as the structure of employee organizations, the distinction between administrative employees and general employees, the registration of such organizations, their corporate status, negotiations with the organizations, restrictions on the actions of employees of such organizations, and so on, was deferred, but was later carried out, in June 1966, on the basis of the report issued by the Commission on the System of Public Employees.

Furthermore, while it was in principle forbidden for employees to be engaged full-time in the work of an employees’ organization, an exception was permitted to the extent that upon receiving approval from a person with appointive power, an employee was permitted to be engaged full-time as an official of such an organization. This system, applying to people termed full-time trade union officers, was put into force from December 1966 (applied from December 1968).

(3) The problem of the right of association for fire service employees

The Convention Sub-Committee of the Round Table Conference on Labor Problems stated the following in its report of September 1958 in respect of ILO Convention 87: “Article 9 of the said Convention excludes its applicability to members of the armed forces and the police, and says that such applicability should be a matter left to domestic laws and regulations. We understand this to mean that the spirit of the decision to exclude the police, alongside members of the armed forces, from the applicability of this Convention was taken in consideration of their special function in respect of the safety and security of this country. Accordingly, we think it is appropriate that members of the fire services, the Maritime Safety Agency and the prison service, in consideration both of their historical organization and the present-day legal system, should be included with the police in terms of the applicability of this Convention.”

On the other hand, the Freedom of Association Committee of the ILO expressed the opinion in 1954 with regard to the right of association of public officials in Japan that it saw no problem with extending the right of association to public officials with the exception of “a small number of public officials in positions analogous to that of the police”. In 1961 too, they showed the same kind of understanding. But that said, even after ratification, right up until 1973, the Specialist Committee for Recommendation of the Applicability of the ILO Convention, expressed the view that “it cannot be thought of that workers like the fire service officers have a

quality which justifies their exclusion from the applicability of Article 9 of the Convention in the same way as the police”. Since then, there have been many different kinds of debates and examinations concerning the right of assembly of fire officers.

6.2 The problem of forbidding public officials to exercise the right to strike

(1) The problem of forbidding public officials to exercise the right to strike

In Japan, public officials and persons engaged on public projects, regardless of whether they work out of doors or are desk workers, are forbidden by law to engage in strike action, in consideration of the fact that their work affects the public welfare. Arguments in the Supreme Court’s reasons of whether or not this ban on strike action is compatible with Article 28 of the Constitution of Japan, which states that: “The right of workers to organize and to bargain and act collectively is guaranteed”, reflect the changing spirit of the times.

Initially, the Grand Bench of the Supreme Court stated in its judgment of April 8, 1953, that “National public officials are the servants of the people engaged in work that contributes to the public benefit, and their work is of a character that requires them, in the course of its execution, to devote all their efforts to it.” The judgment further said that “It is natural that, unlike general workers, they are subject to receive special treatment”.

(2) The restrictive application theory of Constitutionality

In contrast to the above initial decision, the Grand Bench of the Supreme Court, in its judgment of October 26, 1966 (National Postal Workers Union Tokyo Central Post Office case), developed constitutionality by giving an opinion which limited the scope of the said prohibition on strike action in the application of relevant statutes.

As far as the basic work rights of public officials (in this case, postal workers engaged on outside work) are concerned, the Supreme Court held that restrictions imposed on these rights were not contrary to the Constitution provided that 1) such restriction is kept to an absolute minimum; 2) such restriction is unavoidable if the basic daily living standards of the people are to be maintained; 3) any sanction on those workers violating the said ban is kept to the absolute minimum necessary; and 4) a compensation device is used in place of a restriction, the use of a restriction does not violate the Constitution. The Court also stated that any uniformly imposed restriction without reference to the above conditions would be unconstitutional.

The Supreme Court also held that it is constitutional to impose criminal law penalties on offenses of “incitement” or “advocacy” if: 1) the act of going on strike is implemented for political purposes; 2) the act of going on strike is accompanied by violence; and 3) the act of going on strike continues for an unreasonably long time when seen from the standpoint of general social ideas, and causes serious inconvenience to the everyday life of the people. The

kind of legal procedures referred to here are termed the “dual filter theory” because they offer a limited interpretation of the applicability of restrictions by combining the two methods of, on the one hand, the regulation forbidding the act of going on strike, and on the other hand, the regulation permitting sanctions.

(3) The “Total Constitutionality” theory

Several decisions of the Supreme Court applied the “Restrictive Application Theory” explained above, but the Grand Bench of the Supreme Court substantially overruled its precedent in its decision of April 25, 1973 in the Agricultural Workers Union case.

In its decision, the Supreme Court stated that public officials are “workers” in the sense of Article 28 of the Constitution of Japan, that their working conditions are specifically guaranteed by statute, and that proper compensation measures are granted to them, hence a ban on labor activity, incitement and advocacy is an unavoidable restriction, and that there is no violation of the Constitution. It stated that the following could be given as specific reasons to support its opinion: 1) public officials serve the people as a whole, and their failure to render such services will cause serious inconvenience to the common interests of the people; 2) unlike the case of workers in private companies, the wages and other working conditions of public officials are not determined by free negotiations, but fixed by statute and the national budget; 3) in the case of public officials, the employing authority has no recourse to countermeasures such as “lockout” in response to labor activity, and there is no room for the “market balance” principle to work as a deterrent; and 4) the special nature of public officials in the context of labor relations has been approved internationally.

The new approach was followed by subsequent court decisions confirming it, and the inconsistency and confusion that had been caused, both at the level of judicial reasoning and at the level of the administration, by the ambiguity resulting from the application of the “Restrictive Application Theory” was abolished.

6.3 Improvement in the welfare system for local public officials

(1) Enactment of the Local Public Service Mutual Aid Association Law

The Local Public Service Law stipulated an obligation to implement a mutual aid system designed to help employees in the case of death, injury or illness unrelated to their work, and to aid their families in the case of such misfortunes occurring, as well as to provide a retirement pension system at the time of retirement of the employees. However, the systems currently adopted by local governments were not uniform, with a division between prefectures and municipalities, and some adopting a pension system that differed according to status and work classification, and others adopting a system close to a mutual aid assistance system.

It was in this situation that the Local Public Service Mutual Aid Association Law was enacted and implemented in December 1962⁴. The body that operated this new, mutual aid system was a mutual aid union organized in the form of a union composed of full-time public officials. The union was obliged to provide short-term allowances (such as sickness costs) and long-term allowances (such as retirement pensions) as well as welfare activities, utilizing members' fees and local government subsidies.

(2) Enactment of the Local Public Service Accident Compensation Law

The Local Public Service Law already contained a stipulation to the effect that local public officials had to be compensated by the local government in the event of death, injury or sickness arising in the course of employment, but the compensation system was not uniform, and different laws were applied to different categories of employees. In the case of desk workers, the Labor Standards Law is applied, while the law applied in the case of outside workers is the Workers' Accident Compensation Insurance Law. On the other hand, nothing has been decided concerning the Chief or the assembly members of a local government, leading to differences in the levels and criteria for approval of compensation.

In August 1967, the Local Public Service Accident Compensation Law was enacted with a view to achieving parity with private sector workers and national public officials with regard to matters of compensation for accidents by local public officials in the course of their employment. Furthermore, in order to guarantee uniform, specialist application from the standpoint of the country as a whole, and to secure speedy and equitable implementation of such compensation, the Local Public Service Accident Compensation Fund was established in December of the same year.

7 Movements in local tax and financial policy

7.1 Expansion of the scale of finances

During this period, in response to the rapid high economic growth rate, the scale of national as well as local finances underwent a considerable expansion. From fiscal 1961 to fiscal 1974, the amount of settled accounts in the national general account rose 9.3 times from ¥263.5 billion to ¥1.9998 trillion, while the amount of the net closing balance of local ordinary accounts rose 9.6 times from ¥2.3911 trillion to ¥22887.9 trillion.

The ratio of the national and local financial scale to gross national expenditure rose from 10.2% for the national scale and 11.9% for the local scale in 1961 to 13.8% and 16.5% respectively in 1974. This large-scale expansion of the financial scale took place against the background of the rapid rise of the national economy as such, but it is also possible to see influences, particularly during the latter part of the period in question, from the development of

welfare policy and the positive implementation of expanded financial support measures as measures to stimulate the economy.

Table 1 Trends in the Ratio of Increase or Decrease in Gross National Expenditure, National General Settled Accounts, Local Settled Ordinary Accounts (net total)

(Unit : %, billion yen)

Year	Ratio of increase or decrease in gross national expenditure		National settled accounts (general account)		Local settled accounts (ordinary account)	
	Nominal	Actual	Gross amount	Increase or decrease	Gross amount	Increase or decrease
1961	20.9	11.5	20,635	18.4	23,911	24.2
1962	10.7	7.7	25,566	23.9	28,874	20.8
1963	17.5	10.1	30,433	19.1	33,088	14.6
1964	15.9	9.8	33,110	8.8	38,220	15.5
1965	11.1	6.2	37,230	12.4	43,651	14.2
1966	17.6	11.2	41,592	19.8	50,262	15.1
1967	17.0	10.9	51,130	14.7	57,255	13.9
1968	18.3	12.8	59,371	16.1	67,296	17.5
1969	18.4	12.1	69,178	16.5	80,339	19.4
1970	15.7	8.0	81,877	18.1	98,149	22.2
1971	10.1	5.1	95,611	16.8	119,095	21.3
1972	16.4	8.8	119,322	24.8	146,183	22.7
1973	21.0	4.8	147,783	23.9	174,739	19.5
1974	18.6	△ 0.0	190,998	29.2	228,879	31.0

[Source] Taken from "Financial Statistics" issued by the Budget Bureau, Ministry of Finance; and "Local Financial Statistics Annual Report", Ministry of Home Affairs.

7.2 Local tax and financial policy in the period of high economic growth

(1) Tax reduction and the raising of the local tax allocation rate

The Japanese economy showed a long-term favorable trend from 1958 onwards. From the end of 1961 into 1962, there was a slight period of adjustment, but from the end of 1962 in the run-up to the Tokyo Olympics (October 1964), there was once again a favorable upturn, with good results from public investment, and the development of the Japanese economy proceeded rapidly. Against the background of the high economic growth rate, the large natural growth of revenue facilitated the expansion of the scale of national finances, and at the same time the implementation of tax reductions. With the aim of preventing an adverse influence being exerted on local governments as a result of this kind of national tax reduction, a rise in the local allocation tax (a percentage of national income tax, corporate tax and liquor tax allocated to

local governments as a grant), with the aim of responding to an increase in local financial demands, was implemented continuously from fiscal 1955 through fiscal 1958, and again in fiscal 1962 and fiscal 1965. This rise in local allocation tax became possible for the first time as a result of the prolonged favorable state of the Japanese economy during the period in question, and played an extremely important role in helping to restore local finances to a sound condition.

Specifically, the local allocation tax was raised by 0.4% (28.5% to 28.9%) in fiscal 1962. An amount equivalent to 0.3% of the rise was the result of converting into local allocation tax the amount resulting from the cessation of the emergency local special grant which had been allocated as partial compensation for the revenue reduction resulting from the decrease in local residence tax since fiscal 1960. An amount equivalent to the remaining 0.1% accompanied the implementation of the retirement pension system for local public officials. It should also be noted that in fiscal 1965, in order to enable local governments to cope with the revenue reduction resulting from the decrease in local finances that accompanied the large reduction in national tax, the local allocation tax was raised by 0.6% (28.9% to 29.5%).

(2) The issuing of national bonds and local financial policy

It was from 1964 onwards that a shadow began to be cast over the Japanese economy, and the situation worsened with entry into 1965. After World War II, adopting the principle of the primacy of achieving a balanced budget, and for a period of many years, implemented its financial management without depending on national bonds. However, from the standpoint of using financial policy in a positive way so as to escape from a financial depression, the issuing of public bonds was introduced as a major part of this policy. In the supplementary budget for fiscal 1965, deficit bonds were issued in order to cope with the revenue shortfall, and in the budget for fiscal 1966, large-scale tax reductions were accompanied by a large issue of constructions bonds.

This kind of major shift in national financial policy also had a great influence on local finances. Specifically, under the balanced budget policy, it was always possible to identify, behind any expansion of national expenditures, a natural increase in national taxation, and since a fixed percentage of that taxation would be allocated to local areas as local allocation tax, an increase in local expenditures could also be covered at the same time. However, in circumstances in which the state expanded the scope of national finances by treating national bonds as sources of revenue, then despite an increase in local expenditures, there was no hope of an increase in income. In this situation, comprehensive countermeasures were introduced into the framework of local financial policy in fiscal 1966, in the form of an increase in local allocation tax (29.5% to 32%), an emergency local special grant, and the issuing of special enterprise bonds (intended to be countermeasures designed to hasten the implementation of

public works projects and to compensate for general revenue shortfall).

(3) Movements to reduce the local allocation tax rate

From 1966, the economy entered a favorable phase, and until the end of the first half of 1971, the economic climate continued to give its best showing in postwar times. During this period, both national and local finances were blessed with large-scale natural growth, and it is reasonable to say that transition to stability was the defining characteristic, and that in terms of the local financial system too, no radical reforms were undertaken.

In terms of the posture of central government, it became possible to identify trends within the Ministry of Finance seeking to reduce the local tax allocation rate or to adjust the amount of local allocation tax from one fiscal year to the next in response to changes in the economic climate; trends of this kind were in accordance with such factors as a perceived hardening of the attitude of the national treasury or favorable local financial conditions. In response, local governments and the Ministry of Home Affairs mounted counter-arguments maintaining that local allocation tax was a distinctive local revenue source, and that to see it as the cause of a hardening of national finances was strange; rather, it was asserted, local allocation tax was not something that should pass through the national general accounts, but should instead be transferred directly to a special local allocation tax account from the fund for the arranging and disposal of national tax revenue. In the end, no adjustment in terms of lowering the local tax allocation rate was made from one fiscal year to the next, and for 3 successive years, from fiscal 1968 through fiscal 1970, the device adopted was one whereby local allocation tax was advanced to the central government from the local allocation tax special account

(4) The end of a high economic growth rate

As a result of the influence of the dollar shock in August 1971, the economy of Japan went into a severe decline. In these circumstances, both in the supplementary budget of fiscal 1971 and in the ordinary budget of 1972, a tax reduction and an increase in public works investment were implemented, with the result that local revenue sustained a severe shortfall, and responses to this took such forms as implementing the emergency local special allocation grant and making a loan from central government funds to the special local allocation tax account.

After 1972, the economy showed signs of a recovery, but in 1973, a rise in prices was seen, indicating a tendency to overheating, and in fiscal 1973, an extension of public works was implemented. The occurrence of the “first oil shock” in October 1973 caused economic confusion in such ways as triggering a sharp rise in prices and a shortage of everyday living items. In fiscal 1974, public works were restrained as a way of holding down overall demand, and at the same time, the amount of the local tax allocation was reduced and transferred to

national general revenue.

With the first oil shock as a trigger, the high economic growth that Japan had enjoyed moved toward its end, and the country moved into a low growth phase.

(5) Reform of the local tax system

During the period under consideration in this volume, large-scale natural growth was incorporated into the economy, resulting in a sustained high economic growth rate. As a result of this, in line with the annual reductions of income tax, a personal residence tax reduction was also implemented year after year in succession.

On the other hand, new taxes were also implemented. In fiscal 1968, with the primary aim of providing a source of revenue for municipal roads, car acquisition tax was created, and in fiscal 1971, the car weight transfer tax was established with the aim of transferring to municipalities a quarter of the car weight tax, which had originally been created as a national tax.

In addition, in a situation in which residential land development was being rapidly taken forward in municipalities, a residential development tax was created as a tax specifically earmarked for the establishment and refurbishment of public facilities in the context of such development.

Finally, reference should also be made to land tax, discussed in 3.3 (4) above.

7.3 Measures to bring soundness to local public enterprises

(1) The worsening of the management of local public enterprises and the creation of regulations concerned with restoring financial soundness

It was from around 1960 that the management of local public enterprises took a sharp turn for the worse. The application of the enterprise accounting formula on the basis of the Local Public Enterprise Law meant that the consolidated real deficit reached an enormous sum.

It was against this background that the Local Public Enterprise Investigation Council, an advisory body to the Minister of Home Affairs, issued a report in October 1965 setting out the basic principle of the management of local public enterprises. The report included the following statement. “On the basis of clarifying the area of the burden borne respectively by enterprise accounts and general accounts, the intention with regard to the burden to be borne by enterprises is that a self-supporting system should be maintained by means of a thorough rationalization of management and appropriate adjustment of charges”. The report continues by saying that: “It is necessary to eliminate in a planned manner deficits that have already arisen”. With this report as a basis, the Local Public Enterprise Law was revised in 1966; in addition to revisions to the system, including expansion of the scope of the law, strengthening of the status of administrators, and clarification of the respective jurisdictions of enterprise accounts and

general accounts, regulations concerning the restoration of the financial soundness of local public enterprises were newly established.

At the end of fiscal 1965, enterprises with bad debts applied to the Minister of Home Affairs for a return to soundness, and devised a policy in the form of a plan for achieving financial soundness. It was stipulated that when a plan for restoring financial soundness was approved, financial reconstruction bonds to cover a revenue shortfall or retirement allowances could be issued, and support could be given toward such items as the interest on the redemption payment.

(2) Transition to a sound financial condition for local public enterprises

Enterprises which took forward efforts to achieve financial rebuilding on the basis of the Local Public Enterprise Law, amounted to 155 enterprises in total, comprising enterprises in the following sectors: water service, 58; transport, 13; gas, 8; and hospitals, 76.

Of this total of 155 enterprises, those in the areas of water service and gas completed everything necessary for financial rebuilding, but enterprises in the area of transport, despite efforts to remove streetcars, increase one-man buses and introduce revised fare structures, experienced difficulties with financial rebuilding as a result of a worsening management environment caused by an increase in motorization. It was in this situation that the law concerned with promoting sound financial management of local public enterprises was enacted, the disposal of consolidated bad debts was settled by clearing the entire burden from an account outside the enterprises account, and financial measures were devised such as making interest support aimed at financial rebuilding more substantial. In ways such as these, financial rebuilding policy was set as the goal (implementation as of August 1973).

Furthermore, in the case of hospital enterprises too, cases were identified where financial rebuilding was not satisfactory, so support measures were devised whereby policies aimed at restoring financial soundness to public hospitals would be continued in 1974.

[Notes]

¹ With regard to the periphery of large cities, from 1977, a wide-area administrative sphere comprising the periphery of a large city was defined as an area which had, broadly speaking, a population of about 400,000 people and was furnished with the necessary geographical and historical, or with the administrative conditions to enable it to be considered in a unified way.

² Within the framework of the traditional concepts of administrative law, the “theory of the prior occupation of an area by acts” is interpreted as meaning that where a regulation is specified by a national law, it is not possible for a bylaw having the same objective to be enacted by a local public body. However, it has been pointed out that since pollution control

measures implemented autonomously by local public bodies have shown themselves to be very effective, the “theory of the prior occupation of an area by acts” is in reality in a state of collapse.

- ³ The essence of the judgment is as follows: “Within the framework of the Constitution, local public bodies are, fundamentally and generally, local bodies, and are fully equipped for this reality from the perspective of their history and their system of organization. However, when we look at the reality of special wards, it is clear that they do no more than form part of the metropolis of Tokyo, which also has the character of a city. Accordingly, even though the public election system of the Chiefs of special wards was formerly recognized, the special wards do not correspond to local public entities as prescribed in the Constitution, either at the time when the Constitution was drawn up or today, when the public election system has been forbidden.
- ⁴ The Local Public Service Mutual Aid Association Law was revised in 1974 so as to provide long-term cover for employees of organizations related to local governments; the title of the law was amended so as to make it clear that the law also applied “to others”.

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[Attachment]

Table 2 Population, National Income, Central Government Expenditure, Local Expenditure, Local Tax Revenue, Consumer Price Index over the Years

(Unit: thousand people (population), national income, hundred million yen (national income, local tax revenue), billion yen (central govt. expenditure & local expenditure), 100 (CPI year 2005), %(percentage change))

Year (Fiscal year)	Population	Percentage change	National income	Percentage change	Central government expenditure	Percentage change	Local expenditure	Percentage change	Local tax revenue	Percentage change	Consumer price index	Percentage change
1961	94,287	-	160,819	-	2,165	-	2,391	-	9,065	-	-	-
1962	95,181	1.0	178,933	11.3	2,645	22.2	2,887	20.7	10,567	16.6	-	-
1963	96,156	1.0	210,993	17.9	3,139	18.7	3,309	14.6	12,129	14.8	-	-
1964	97,182	1.1	240,514	14.0	3,452	10.0	3,822	15.5	13,996	15.4	-	-
1965	99,209	2.1	268,270	11.5	3,888	12.6	4,365	14.2	15,494	10.7	-	-
1966	99,036	△ 0.17	316,448	18.0	4,633	19.2	5,026	15.1	17,686	14.2	-	-
1967	100,196	1.2	375,477	18.7	5,335	15.2	5,725	13.9	21,495	21.5	-	-
1968	101,331	1.1	437,209	16.4	6,145	15.2	6,730	17.6	25,801	20.0	-	-
1969	102,536	1.2	521,178	19.2	7,282	18.5	8,034	19.4	30,902	19.8	-	-
1970	104,665	2.1	610,297	17.1	8,627	18.5	9,815	22.2	37,507	21.4	32.5	-
1971	106,100	1.4	659,105	8.0	10,166	17.8	11,910	21.3	42,358	12.9	34.6	6.5
1972	107,595	1.4	779,369	18.3	12,624	24.2	14,618	22.7	50,044	18.2	36.3	4.9
1973	109,104	1.4	958,396	23.0	15,364	21.7	17,474	19.5	64,913	29.7	40.5	11.6
1974	110,573	1.4	1,124,716	17.4	19,804	28.9	22,888	31.0	82,375	26.9	49.9	23.2
Average rate of increase		1.2	-	16.1	-	18.6	-	19.0	-	18.5	-	11.3

[Sources] Produced by author using the following publications.

- 1 Data for Population was taken from "Historical Statistics of Japan New Edition (Vol.1)" (Editorial Supervision: Statistics Bureau, Ministry of Internal Affairs and Communication. Japan Statistical Association)
- 2 Data for National income was taken from "Local Finance Manual" (Institute of Local Finance, December 2007)
- 3 Data for Central government expenditure was taken from "Local Finance Manual" (Institute of Local Finance, October 1978). Total amount of the central government expenditure is the net amount of settled accounts including the general accounts, and the following 10 special accounts: local allocation tax and local transfer tax, national forest service, national land improvement projects, port development, road development, airport development, flood control, coal-related and oil-related measures, welfare insurance, and power source development promotion.
- 4 Data for Local expenditure was taken from "Historical Statistics of Japan Vol.1 "(Statistics Bureau, Ministry of Internal Affairs and Communications) Data is general account, and the duplication between the prefectures and municipalities has been adjusted to be net total.
- 5 Data for Local tax revenue was taken from "Local Finance Manual" (Institute of Local Finance, December 2007)
- 6 Data for Consumer price index was taken from "Historical Statistics of Japan (Vol.4) "(Editorial Supervision: Statistics Bureau, Ministry of Internal Affairs and Communications).

Volume 7 (1961-1974): The Period of High Economic Growth - General Acceptance and Development of the Postwar System of Local Autonomy

Trends of the Era and National Policy	Trends in Local Autonomy (Local Administration / Local Tax and Finance Policy)
1955-1974 Period of high economic growth (current)	
	1961 (June) Implementation of the Law concerning Special Measures for the National Share of the Burden of Public Works Expenses for the Development of Backward Regions (finance) 1961 (Nov.) Revision of the Local Autonomy Law (provisions for determining the boundaries of municipalities with regard to publicly owned water surfaces)(admin)
1962 (Aug.) Implementation of the Law to Promote the Construction of New Industrial Cities (policy)	1962 (Apr.) Implementation of the Law concerned with Special Measures for the Financing of the Comprehensive Provision of Public Facilities in Isolated Areas (finance)
1962 (Oct.) Comprehensive National Development Plan (policy)	1962 (May) Implementation of the Law concerning Special Measures for the Merger of Cities (admin)
	1962 (May) Implementation of the Law concerning the Designation of Addresses (admin) 1962 (May) Revision of the Local Autonomy Law (establishment of methods of intervention in corporations in which local governments have made a financial investment (admin)
	1962 (Dec.) Implementation of the Local Public Service Mutual Aid Association Law (admin)
	1963 (June) Revision of the Local Autonomy Law (establishment of Local Development Corporations) (admin)
	1963 (Dec.) "Report on a Redistribution of Administrative Duties", issued by the Local System Research Council after its 9th meeting (admin)
1964 (Apr.) Japan joins OECD (current)	1964 (Apr.) Revision of the Local Autonomy Law (reform of the local financial accounting system) (admin)
1964 (July) Implementation of the Law to Promote the Development of Specified Industrial Development Areas (policy)	1964 (Apr.) Implementation of the Local Administration Liaison Conference Law (admin)
1964 (Sep.) Report of the Special Administrative Investigation Council (policy)	
1964 (Oct.) Tokyo Olympics (current)	
1965 (Apr.) Implementation of the (New) Rivers Law (transfer of administrative authority over first-class rivers to the Minister of Construction) (policy)	1965 (Mar.) Implementation of the Law concerning Special Measures for Municipal Mergers (admin)
1965 (May) Ratification of ILO Convention 87 (policy)	1965 (Apr.) Revision of the Local Autonomy Law (implementation of the transfer of duties to the Tokyo special wards) (admin)
1965 (May) Implementation of the Law Concerning Special Measures to Raise National Finance to Cover the Costs of Constructing New Industrial Cities as well as the Development of Specified Industrial Areas (policy).	1965 (May) Revision of the Local Public Service Law (in connection with the ratification of ILO Convention 87 (admin)
	1965 (June) Implementation of the Special Measures Law concerning the Dissolution of the Assembly of a Local Public Body (admin)
	1965 (June) Implementation of the Local Housing Corporation Law (admin)
	1965 (Sep.) "Second Report on the Redistribution of Administrative Duties" by the 10th Local Government System Research Council (admin)

1966	(Oct.) Supreme Court decision in the case of the National Postal Workers Union Tokyo Central Post Office case (policy)	1966	(Sep.) Revision of the Public Election Law (creation of a permanent electoral roll system)(admin)
1967	(Aug.) Implementation of the Basic Law for Environmental Pollution Control (policy)	1967	(Jan.) Implementation of the revision of the Local Public Enterprise Law (financial rebuilding) , (Apr.) implementation of the range of its applicability (finance)
		1967	(Aug.) Implementation of the Local Public Service Accident Compensation Law (admin)
		1967	(Nov.) Implementation of the Basic Resident Registration Law (admin)
1968	(June)Return to Japanese sovereignty of the Ogasawara Islands (policy)		
1969	(May) New National Comprehensive Development Plan (policy)	1969	(Mar.) Revision of the Local Autonomy Law (the basic concept of a municipality) (admin)
		1969	(May) Ministry of Home Affairs: Guidelines for measures to promote wide-area municipal zones (admin)
1970	(Apr.) Implementation of the Law on Emergency Measures for Depopulated Areas (policy)		
1970	(June) Implementation of the Traffic Safety Countermeasures Basic Law (policy)		
		1971	(Apr.) Ministry of Home Affairs: Guidelines concerning community countermeasures (admin)
1972	(May) Return of Okinawa to Japanese sovereignty (policy)	1972	(Feb.) Establishment of the Jichi Medical University (admin)
1972	(July) Establishment of the Japan Environment Agency (current)	1972	(Sep.) Implementation of the Law concerned with the Promotion of the Expansion of Publicly Owned Land (admin)
1973	The First Oil Shock (current)	1973	(Aug.) Implementation of the Law concerned with Promoting Sound Financial Management of Local Public Enterprises (finance)
1973	(Apr.) Supreme Court decision in the case of the Agricultural Workers Unionj (policy)	1974	(June) Revision of the Local Autonomy Law (compound partial affairs associations, the loan of land constituting an administrative asset) (admin)
		1975	(Apr.) Revision of the Local Autonomy Law (public election system of the Chiefs of special wards)(admin)

Note) In this table, "current" denotes matters concerned with the current of the times, "policy" matters concerned with national policy, "admin." matters concerned with local administration, and "finance" matters concerned with local financial policy.