

Far Eastern Survey

AMERICAN INSTITUTE OF PACIFIC RELATIONS

AGRARIAN REFORM IN CHINA

BY CHEN HAN-SENG

NO HISTORICAL TASK of great magnitude is ever achieved in a straight and simple way. Urgent and insistent as is the problem of Chinese land reform, it has confronted various difficulties, hindrances, and obstructions, including some created by the reformers' own mistakes. Already the reform has undergone four stages, and is now on the threshold of a fifth one. Briefly they may be described as follows. The first stage, 1927-1931, was for a rent reduction without any confiscation; the second, 1931-1934, rent reduction as well as confiscation of landlords' land; the third, from August 1937 to May 1946, rent reduction and confiscation of national traitors' land; the fourth, from May 1946 to October 1947, redistribution of land ownership not in equal shares; and now, from October 1947 on, the fifth stage is for an equal redistribution on a family or household basis.

Of these five stages the first was conducted by the Kuomintang, all the rest directed by the Communist Party. "From the theoretical standpoint," said Professor Wan Kuo-ting of the University of Nanking, an American missionary institution, "the land policies of the Communists and the Kuomintang have a great deal in common. Both are based on Sun Yat-sen's idea of the equalization of land ownership and the land-to-the-tiller principle. The only difference is that while the Kuomintang favors a peaceful transference of rights from landlords to peasants, the Communists do not hesitate before a fairly drastic confiscation of the properties of wealthy landlords. . . . The Kuomintang, however, propose much more than they perform."¹

Professor Chen Han-seng, now Research Fellow at Johns Hopkins University, has conducted field work for many years in China on agrarian problems under the auspices of the IPR.

¹ From the article "Land Reform as Conducted by the Kuomintang and Communists," by Wan Kuo-ting, in the newspaper *Ta Kung Pao*, Shanghai, March 17, 1947.

Agrarian reform in China, evolving as it has from the past and problems of that country, has been historically unique, and sharply distinguished from the land policy followed by the Soviets after the Russian revolution. The Soviets nationalized land and redistributed only its use, but the Chinese Communists redistribute both the ownership and the use of land. This is one among many factors which indicate fundamental differences in the nature of the present upheaval in China and the Russian revolution of thirty years ago.

Nothing so clearly reveals the uniqueness of the Chinese developments as the system of tenancy. In China as in the West both the rich peasant and the poor peasant may lease land for cultivation. In China, again as in the West, however, there is a fundamental difference between the two cases. The lease of the rich peasant who has adequate cash and implements is for the purpose of expanding his farm management and further employing labor. The lease of the poor peasant who has little or no land is for his own subsistence or the maintenance of a serf-like livelihood, and involves the payment of excessively high rent. Increase of tenancy of the

FEBRUARY 25, 1948 VOL. XVII NO. 4

AGRARIAN REFORM IN CHINA

by Chen Han-seng

Kuomintang and Communist achievements.

REPATRIATING CHINA'S EXPATRIATES

by Katrine R. C. Greene

Return of Overseas Chinese stranded by the war.

DEVELOPMENT IN NEW GUINEA

by James McAuley and H. Ian Hogbin

New outlook for Australia's colony.

first type points to capitalistic development in agriculture, while the prevalence of the second indicates the dominance of pre-capitalistic economy.

From a comparative statistical study it is shown that whereas the rich peasants in Russia generally leased land from other people for their farming, the rich peasants in China usually do the very opposite by leasing out land for rent collection.² This shows a basic difference between the two countries, and illustrates how the Chinese feudal system, though now disintegrated, still obstructs capitalistic development in agriculture.

Professor Charles Seignobos of Paris virtually defined the feudal economy when he said, "The Middle Ages was a time of ownership on a large scale and cultivation on a small scale."³ This system has operated in China since the Han Dynasty for two milleniums. Throughout this epoch the contradiction between concentrated ownership and increasingly scattered farming was not resolved, despite dynastic changes and certain partial redistributions of land. The impact on this economy of the modern industrial world in the past hundred years only dispelled the magic of former virtues and aggravated the inherent weaknesses.

Land monopoly, like capital monopoly, has worked havoc among the people. In a pre-industrialized country such as China, mercantile and usurious capitals are primarily accumulated from rent. The landlord regards land as the safest financial investment, being interested solely in rent collections, while the peasant must cling to it as the only basis of livelihood, but has no resources to increase production.

The relation between the landlord and the peasant may be summarized here. As the scale of rent is raised by the landlord, the price of land rises. The higher the land price rises, the more difficult it is for the peasant to buy land; consequently the more necessary it is for him to become a tenant. As land is possessed by a handful of landlords, the peasants have to face a sharp competition in obtaining a leasehold. They are compelled to pay an exorbitant rent, which usually amounts to half the net yield from the field, and few can avoid this. Both the high rent and the minute size of his farm deprive the tenant of the resources needed to cultivate a larger area, creating a vicious circle, which is further aggravated by the money-lenders and the merchants. In China, it should be emphasized, the usurer, the busi-

nessman, and the tax-collector often are combined in one person, namely, the rent-collecting landlord.

Sun Yat-sen advocated an economic policy to equalize land ownership and to regulate the use of capital. During the 1927-1937 decade of civil war, mostly fought in Kiangsi, the Kuomintang first attempted an agrarian reform by ordering a rent reduction of twenty-five percent to bring the rent down to 37.5 percent of the total main harvest. Only five provincial governments of Kwangtung, Hunan, Hupeh, Kiangsu and Chekiang issued such a decree. Out of these five Chekiang alone gave it an actual trial. This political experiment proved to be a failure because the power and influence of the landlords, both inside and outside the administration, were too strong for the general realization of a real program of rent reduction. In the spring of 1931 a new Chekiang decree suddenly doubled the legal rent.⁴

The Communists, although blockaded, consolidated their territory and carried out an effective program of twenty-five percent rent reduction in Kiangsi. When they should have united all classes to further the national and democratic revolution, however, they committed a mistake by following the program of a socialistic revolution and confiscating all land belonging to landlords. In a recent report Mao Tse-tung characterized this policy as "distributing no land to the landlords and poor land to the rich peasants," and condemned it as ultra-left and erroneous.⁵ This stage of agrarian reform was ended in 1934 when the Chinese Red Army started its Long March to west and then to northwest China.

Towards the end of 1935 the Communist Party decided to join the national united front against Japanese invasion and abandoned the ultra-left program. This ushered in a wartime agrarian policy of rent reduction, along with tax and interest rate reduction, and confiscation of land of national traitors. In the so-called border regions of several provinces, generally regarded as bases for guerrilla warfare, this policy was executed by the newly created local administration with enthusiasm and vigor.⁶ The confiscated land was distributed among the landless households, land tax was levied on a progressive scale, and the peasants were organized into various types of agricultural cooperatives. With private land property preserved and protected, this collective labor helped overcome the difficulties of small patch and scattered farming. There was a marked decrease of poor peasants and a visible increase of middle and really enterprising rich peasants. In many places both production and productivity increased.

2 For percentages of land cultivated and leased among the different groups of peasants in Czarist Russia and China today, see *Agrarian China*, compiled by the Institute of Pacific Relations, published by Allen and Unwin, London, 1939, p. 59.

3 Professor Seignobos' summary on feudalism appeared in *Histoire Générale du IVème Siècle à nos Jours*, edited by Lavissee and Rambaud, and was later translated by Earle W. Dow under the title *The Feudal Regime*, New York, 1902. This quotation is taken from Dow, pp. 24-25.

4 Lin Chu-ching, "The Twenty-five Percent Reduction of Rent in Chekiang," *Sin Tsan Tsao*, Shanghai, July, 1932.

5 Mao Tse-tung, "Report to the Central Committee of the Chinese Communist Party," December 25, 1947, Section 4.

6 Of this stage of agrarian reform a general description may be found in Oxford Pamphlets No. 33: Chen Han-seng, *The Chinese Peasant*, Bombay, Oxford University Press, 1946.

It was by sheer robbery that the Japanese invaders were able to take quick and extensive concentration of land ownership into their own hands. In their occupied areas, in the north as well as in the south, lands were seized for military purposes without compensation. In rear provinces landlordism was intensified, and wealthy bureaucrats invested in many fertile lands.

When in 1942 land tax took the form of grain, landlords in Kuomintang controlled areas skilfully shifted the burden to their tenants by demanding a larger rent deposit or a higher fixed rent, or by changing cash rent back into rent in kind. Grain during wartime claimed a very high price. This intensified the suffering of the tenants and further worsened their economic condition. George B. Cressey, a disinterested American geographer who visited China in the winter of 1943-44, said that in the rice-tea region covering the three provinces of Chekiang, Kiangsi, and Hunan only a quarter of the cultivators owned their land.⁷

After the Japanese surrender in 1945, the Communists raised the question of parasitic landlords. On May 4, 1946, the slogan, "Those who work the land must own it; those who own the land must work it," was formulated. The basic idea at that time was to take away the landlords' land and redistribute it among the landless and land-short peasants. As in the previous stage, village meetings "like the historic New England town government" decided all issues.⁸ All men and women over eighteen were qualified to vote, not just family heads. All or one of three measures might be chosen. First, rent reduction was made retroactive for the most part for two years, and the landlord must refund a quarter of the annual rent. Second, a large landlord had to pay tax up to fifty percent of his rent income, while the maximum tax for a peasant was about seven percent of his crop. One *mou* (one-sixth of an acre) for each family was entirely tax-free. In lieu of rent refund or tax-payment the landlord might sell his land. Third, the landlord must sell his excess land to the new government and for its price land debenture bonds might be issued. Yen-an promulgated a law for this compulsory sale on December 21, 1946.

⁷ George B. Cressey, *Asia's Lands and Peoples*, New York, 1944, p. 95.

⁸ Robert P. Martin, "A Chinese Village Goes Red," *New Republic*, New York, November 24, 1947. For a more complete description of the agrarian reform in this stage see John Hersey, "The Communization of Crow Village," *The New Yorker*, July 27, 1946. As an eyewitness in the Chahar region Mr. Hersey tells how the exchange of labor and tools has been "organized in a fairly scientific way" and cadres have been educating the peasants in improving irrigation, seed selection, and methods of cultivation. As to Hopei, see "Peiping Correspondence" in the Chinese weekly *Time and Culture*, Shanghai, December 1947. Anna Louise Strong writes on Shantung and Shansi in "The New Farmer," in *China Digest*, Hongkong, December 16, 1947.

By September 1947 fighting in the civil war had been resumed for more than a year. Communist-led troops were entering the mid-Yangtze valley and Communist-led guerrillas were spreading in southernmost China. The agrarian program as it has been carried out in the north, where tenancy is less prevalent, would obviously be unsuitable to the south. A national agrarian conference was held in the middle of that month. It was agreed that the account-clearing with landlords regarding rent would have been too extensive and too complicated in the south and that land price on the seaboard was exceptionally high. Since agricultural wages are so low, the revenue income can hardly be adequate to compensate the landlord when his excess land is taken away from him. Therefore, equal redistribution of land on a family or household basis was agreed upon.

Ten years ago Professor R. H. Tawney wrote, "land-tenure will require to be reformed and the strangle-hold of the usurer and middlemen to be broken before much can be expected in the way of technical progress. . . . A government which grapples boldly with the land-question will have little to fear either from foreign imperialism or from domestic disorder. It will have as its ally the confidence and good will of half-a-million villages."⁹

Actually, of course, the confidence and good will of the villages must be obtained first before an effective reform could be put into operation. Having agreed with the decision of the agrarian conference, the Chinese Communist Party promulgated the basic agrarian program on October 10, 1947. This gives every rural family for individual ownership a piece of cultivated land from a half to two and a half acres, according to the local situation and size of family.

This redistribution of land would make some addition to the peasant holding. It is true that, apart from a few exceptional regions, the engrossing of land would not be large enough. As owner-cultivators, however, the peasants no longer need to pay rent and their impoverishment is thereby instantly checked. Moreover, a more or less centralized farming in the form of labor exchange or cooperative will cope with the now decentralized ownership. This will certainly increase agricultural production, as has been well demonstrated during the war period, and give a footing to industrialization. When China is sufficiently industrialized, perhaps within the coming thirty years, and capable of turning out large engines, trucks, threshing machines and tractors, China will be ready for the introduction of collective farms as a nation-wide program and, at the same time, for the nationalization of land.

Although Soviet land policy has been studied by the Chinese Communists, the land reform which they are carrying out represents an indigenous solution of their country's gravest problem.

⁹ *Agrarian China*, op. cit., p. xviii.