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MILITARY AND POLITICAL COUNCIL ISSUES REGULATIONS
ON RENT REDUCTION IN CENTRAL AND SOUTH CHINA

At the first plenary session of the Central and South China Military and Political Council, the following regulations were passed concerning reduction of rent and interest rates in the Central and South China District:

Section I. General

1. The following regulations are issued in the interest of promoting the cause of the peasants and increasing agricultural production in the Central and South China District and are in accord with the provisions of Article 27 of the Common Program promulgated by the China People's Political Consultative Council, which outlines the methods to be followed previous to carrying out the full land-reform program.

Section II. Rent Reduction

2. On all lands belonging to landlords, old-type well-to-do farmers, public lands, schools, ancestral halls, temples, and churches, the rent shall be reduced in accordance with the provisions of these regulations as detailed below. Violators will have to refund any sum received in excess of the provisions and will also be dealt with in the courts according to law.

3. All rent, regardless of the nature or interval of payment, shall be reduced by 25 percent, and after reduction the rent charge shall not exceed 37½ percent of the total crop. If it does exceed that percentage, it shall be reduced. If it is less than that percentage, it may not be raised.

In cases where the landlord has been furnishing equipment and seeds to the renter, in addition to the land, a reduction of less than 25 percent in rent may be made in the interest of keeping up production.

To encourage the breeding of work cattle, those who are progressive in such breeding need not reduce the rates of hire for such animals.

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4. Products auxiliary to grain raising, such as rice and wheat straw, and incidental crops that grow around the edges of paddy and grain plots shall continue to belong to the renter.

In the case of supplementary crops, such as tea, silkworms, catalpa trees, tung nuts, etc., if heretofore the cultivator has taken all these crops, this arrangement shall continue. If the owner and tenant have divided them, the arrangement may continue as before with a 25-percent deduction in the owner's portion. If the owner has taken all such crops, henceforth, they shall be apportioned in the same proportion as the main crops after the 25-percent deduction has taken place.

5. According to the law, no rents shall be collected until after the harvest. No advance payments may be required.

6. Aside from the legal rent, no extras may be asked for, such as free labor, gifts, etc. No tenant may sublease to others, thus securing an unearned increment.

7. All guarantee deposits on rental agreements that may have been required of tenants by landowners in the past shall be refunded and the refund shall be equal in actual value to the value of the amount collected. In case an owner is unable to make the whole refund in one payment, it may be refunded in installments, the first of which shall be at least equal to the last installment paid him by the tenant.

8. The year from which the rent reform shall be calculated is the year in which a people's government was established in the local hsien where the parties live. No reduction need be made on rental grains delivered before such a government was established. Rentals due but unpaid before such a government was set up, shall be canceled. Rentals in arrears that have become debts shall be handled as rental arrears.

9. Where owners have collected rents without allowing the reduction or have given an insufficient reduction since the hsien people's government was established, they shall refund the excess collection to the tenant.

10. Impoverished revolutionary soldiers, families of heroes, families of revolutionary officials, impoverished self-employed industrial workers, widowers, widows, orphans, single persons, etc., who are unable to do farm labor and who have land holdings of not more than one and one-half times the average holding of other persons [presumably referring to the amount each person would receive under the land-reform program which they rent out], may consult with the authorities and the agricultural association concerning the matter of not reducing their rent charge.

11. Rental questions arising between middle-class farmers and poor farmers should be regarded as questions among self-cultivators and should be settled on the basis of mutual agreement or be arbitrated by the officials of the agricultural association.

12. After the rent reduction has taken place the renter's privileges shall be carefully protected. Owners are forbidden to take back any of the land, or re-rent it secretly, or under false pretenses. Those who under the terms of their lease or by custom have the right of perpetual lease do not lose this right. As for nonperpetual leases, the owner may not retract a lease and take possession of the land during the life of the lease. If, at the expiration of a lease, the owner wishes to lease the land again, the present tenant shall have prior claim on the new lease. If the owner is an old-type well-to-do farmer and wishes to reserve a portion of the land for self-cultivation, or to hire others to cultivate it to meet the needs of his own livelihood, he should also have regard for the livelihood of the old tenant and should reduce the rent on the unreserved portion of his land for the tenant's benefit. He must also have the approval of the local agricultural association and the ch'u authorities before making such a reservation.

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13. After the rent reduction, the local authorities, in consultation with the agricultural association, may readjust the amount of land being cultivated by tenants, such as well-to-do farmers, so as to reduce the rental holdings of some in the interest of allowing larger rental holdings to poor farmers in order to better their livelihood.

14. After the rent reduction, old-lease contracts should be voided and new ones made. After owners have reduced rent according to the law, tenants must pay the legal rent, but in case of unpreventable calamities which reduce yields, such as war, fire, drought, storm, and insect pests, owners should reduce or cancel rent payments in recognition of the tenant's hardship.

15. During the period of overthrowing the tyranny of the landlords and securing rent reduction, there will be changes of ownership. When a regular tenant has sown his seed before a change in ownership occurs, he will be responsible to the new owner for only the legal rent, all other income from the land he is cultivating will go to the tenant.

16. After the rent reduction, public grain and other taxes of similar nature should be paid by both tenant and owner in the proportion in which they receive the benefits of the crop. Owners who have not made the rent reduction according to law shall be responsible for the whole of the above taxes and grain contribution. If, in the past, the owner has been making the total contribution of the above taxes, he may make a reduction of less than 25 percent in the rent, according to the circumstances. Land taxes shall be borne entirely by the owner.

Section III. Interest Reduction and Debt Adjustment

17. The provisions of this section relate to debts contracted by cultivators for loans from landlords or wealthy farmers at high rates of interest before the establishment of a people's government in the concerned hsien. After the establishment of such a government, interest rates for loans shall be determined by negotiation between the parties concerned according to the principle of freedom of action. The authorities will not set the rates. Loans made under the new conditions must be paid.

18. Debts for loans contracted by cultivators before the establishment of a people's government in the hsien shall all be settled on the basis of $1\frac{1}{2}$ percent interest per month. If the debtor has already paid interest equal in amount to twice the principal, he may cease paying further interest and apply all his future payments on the principal. If he has already paid interest equal to three times the principal, both principal and interest shall be considered as paid and the whole obligation canceled. When a debt shall have been settled by the newly established legal method, all security which has been held by the creditor, whether land or other property, shall be returned to the debtor. If an agreement has been made to sell the security to the creditor, it need not be returned.

19. When money has been borrowed by a cultivator on a growing crop, at an exorbitant rate of interest with a contract to deliver the crop at a fixed price to pay off the loan, the fixed price shall be disregarded and the crop delivered at the prevailing market rate. The interest shall be refigured at the new legal maximum of $1\frac{1}{2}$ percent a month. After the people's government has been established in the hsien, interest rates shall be established in each case by mutual negotiation.

20. Disputes concerning debts contracted among middle-class farmers and poor farmers shall be adjudicated by the local people's government in consultation with the agricultural association, since it is to be regarded as a matter concerning cultivators.

21. Debts arising from trade in commercial goods among the merchant class are not affected by the above regulations concerning reduction of interest rates.

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22. Creditors of the landlord and wealthy farmer classes who have made loans at exorbitant interest rates before the setting up of the hsien people's government and who after the setting up of such a government have refused to make an adjustment at the new legal maximum rate of interest, and have insisted on continuing to collect interest at the old rate, shall make an adjustment at the new legal rate and shall refund to the debtor the amounts of excessive interest they have collected after the new government was established.

Section IV. Special Land Questions

23. Members of the gentry, extortioners, landlords, and wealthy farmers who have occupied the lands of cultivators unlawfully shall be investigated, when accused by cultivators, by a government agency of rank above a ch'u. If the charges prove true, those persons shall be dealt with according to law and shall return the occupied land without compensation.

24. Upon application of the hsien authorities, convicted war criminals and antirevolutionaries shall be dealt with by the provincial government or a specially appointed agency such as an administrative office or special commissioner's office. Their property may be confiscated and distributed among those with small holdings. However, members of their families who have not joined in their illegal activities shall have their portions awarded to them.

25. Those who flee to avoid reducing rents and interest, and extortionate landlords and wealthy farmers who have fled, may be ordered to return within a given time and carry out their responsibilities under the new laws. If they fail to comply, those who are in charge of their property may be ordered to carry out the reforms and furnish the public grain. In addition, the persons who have fled and disregarded the instructions of the government shall be apprehended and dealt with by law.

26. Administrative committees should be organized among tribes, villages, or districts to take charge of tribal, temple, public, or school lands. After the reduction of rent according to law and after fulfillment of obligations to the government, the income that heretofore has been used for schools shall continue to be so used. Other income may, after public discussion, be used for increasing production, famine relief, or other projects for the benefit of the public.

27. Public waste lands shall be assigned by the government to poor persons for cultivation; however, in the cultivation of such lands, groves or forests shall not be disturbed, for this would disturb the water supply and adversely affect production. These lands may eventually become the property of those who cultivate them. Landlords and wealthy farmers who have uncultivated lands shall be encouraged to open them to cultivation. If they are unable or unwilling to do this, the government authorities may assign them to others for cultivation, but without alienation of title. To encourage cultivators to open these lands and attain high production, persons cultivating waste lands shall have them rent and tax free for 5 years and those cultivating fallow lands shall enjoy the same privileges for 3 years.

28. According to Articles 24 and 27, impoverished families of revolutionary heroes and families of soldiers have prior claim in the distribution of the confiscated properties of war criminals and unrepenting antirevolutionaries.

Section V. Supplementary Regulations

29. The disposition of all incomes realized by the agricultural associations, agricultural delegates assemblies on all levels, and the committee elected by them in the enforcement of the rent- and interest-reduction program shall be made by the agricultural associations, but the power of final decision shall rest with government agencies above the ch'u level.

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30. The property of industrialists and commercial operators and the legal incomes received from them, including the subsidiary industries and commercial enterprises operated by landlords and wealthy farmers, shall be inviolate.

31. In the areas where land distribution has already been completed, the portions of land and property allotted to landlords and old-type wealthy farmers by the agricultural populace shall not be revised. Violations of this rule shall be handled by the authorities according to rulings in each case made by the provincial authorities.

32. The governments of each province shall set up practical programs of procedure, in accordance with these regulations and local conditions, to be carried out after approval by the Central and South China Military and Political Council.

33. These regulations are for application only in rural and suburban areas. Separate regulations are provided for disposition of land, buildings, debts, etc., in the cities.

34. The right of revision and interpretation of these regulations rests with the Central and South Military and Political Committee. The previous regulations promulgated by the Central Plains Provisional People's government under the heading "Regulations for Reduction of Rent and Interest in Newly Liberated Areas" are hereby canceled.

35. These regulations shall be in effect from the date of promulgation.

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