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SOURCE Nung-yeh Shui-shou Cheng-ts'e Wen-chien-chi (Collection of Documents on the Policy of Collecting Agricultural Taxes), published by Northwest People's Publishing Company (Hsi-pe'i Jen-min Ch'u-pan-she),

AGRICULTURAL TAX-COLLECTION IN CHINA, 1952

Comment: The following articles and figures are taken from Nung-yeh Shui-shou Cheng-ts'e Wen-chien-chi (Collection of Documents on the Policy of Collecting Agricultural Taxes), edited by the Department of Finance of the Northwest Military and Administrative Committee and published in September 1952.

The articles include (1) the directive on 1952 agricultural tax collection of the Northwest Administrative Area as promulgated by the Northwest Military and Administrative Committee, (2) the supplementary notes on the calculation of agricultural taxes in the Northwest newly liberated areas where land reform has been completed, and (3) the summary of land survey and output assessment procedures as promulgated by the Ministry of Finance, Central People's Government. The two figures give details of land-survey procedures and the process of determining output assessment.

I. DIRECTIVE ON 1952 AGRICULTURAL TAX COLLECTION OF NORTHWEST ADMINISTRATIVE AREA, AS PROMULGATED BY NORTHWEST MILITARY AND ADMINISTRATIVE COMMITTEE, 12 JULY 1952

1. Tax Rates

a. The old liberated areas of Shensi, Kansu, and Ningsia are to follow the 1951 tax regulations during the year 1952, the tax rate to be 18-20 percent of total annual output. The decisions of these provinces in this matter are to be reported to the Military and Administrative Committee. Since it is expected that 1953 tax-rate regulations will be changed to progressive tax-rate regulations, Shensi and Kansu should make a survey of old liberated areas to consider the progressive tax-rate regulations and should report results to the Military and Administrative Committee of the Northwest Administrative Area.

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b. For the newly liberated areas in which land reform has been completed in Shensi, Kansu, Ningsia, and Tsinghai provinces, the progressive tax rate for 1952 is calculated as 5-30 percent of annual output. A person with an income of less than 150 catties is exempt from taxes, but a person with an average income of 150-1,690 catties is taxable.

The areas where land reform has not yet been completed are to refer to the temporary agricultural tax regulations for the 1950 newly liberated areas.

c. The progressive tax rates of areas in Sinkiang in which land reform has not been completed are to be adjusted according to the 1951 North and South Sinkiang tax rates. The areas where land reform has been completed are to draw up progressive tax-rate regulations and report to the Military and Administrative Committee which, in turn, is to refer these regulations to the Central People's Government for approval.

d. For the following categories of land, taxes are levied according to fixed regulations and not according to agricultural population:

(1) Farm land owned by schools, orphanages, and hospitals and cultivated by members or by hired labor is taxed at 8 percent of its annual output; if rented out, at 11 percent.

(2) Farm land owned by state-operated farms and cultivated by members or hired labor is taxed at 13 percent of its annual output; if rented out, at 25 percent.

(3) Farm land owned by family shrines, associations, temples, and churches and cultivated by members is taxed at 20 percent of total annual output; if cultivated by hired labor, at 25 percent; if rented out, at 30 percent.

(4) Public farm land (land not distributed after the completion of land reform) is taxed at 13 percent of total income.

e. Tax-payment responsibilities with regard to economic crops: According to the principles of the central directive, the tax-payment responsibilities with regard to the cotton areas should not fall lower than 13.2 percent. With this principle in view, it has been decided that the cotton fields in Shensi and Sian should add 10 percent to the normal annual output of the same type of land, combine this sum with the total agricultural income for each family, and levy according to the tax rate. Tax-payment responsibilities with regard to cotton fields in other areas are to be carried out according to the 1951 regulations. As for tax-payment responsibilities with regard to other types of economic crops, the various provinces and cities should conduct a special survey; if there is a need for adjustment, the facts should be reported to the Military and Administrative Committee.

2. The administrative area should stress and carry out the aim of agricultural tax collection. All areas which completed land survey and output assessment prior to the approval of the normal annual output are reported by the hsien government.

3. The reduction or elimination of taxes should be in accordance with the aims of the tax-collection policy. To encourage collective output, farmers who join cooperatives are allowed a tax reduction of 10 percent.

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4. In areas in which the summer harvest is important, the summer season tax is calculated at one time and divided into fall and summer collections. In areas in which the autumn harvest is important, payment may be made in the autumn and formal collection in the summer. The payment in the summer is in accordance with the summer and autumn harvest tax regulations and is reported to the Military and Administrative Committee to be recorded. The principal crop for collection in the summer is wheat; it is advisable not to collect cash or economic crops. Tax collection of summer harvest regions should be completed before October.

5. Agricultural taxes are an important source of national income and affect the agricultural output and responsibilities of farmers. On all levels of the People's Government, those comrades who are leaders must be personally responsible for strengthening leadership, for organizing cadres to go into the villages, for inspecting and guiding the farm population, and for carrying out the tax policy. The leaders should prevent the violation of laws and guarantee the victorious accomplishments of the 1952 agricultural tax-collection plan.

P'eng Te-huai, Chairman,  
Hsi Chung-hsun and Chang Chih-chung,  
Deputy Chairmen, Northwest Military  
and Administrative Committee

II. SUPPLEMENTARY NOTES ON CALCULATION  
OF AGRICULTURAL TAXES IN NORTHWEST NEWLY LIBERATED AREAS  
WHERE LAND REFORM HAS BEEN COMPLETED  
(Published by Taxes and Finance Bureau,  
Department of Finance, Military and Administrative Committee,  
Northwest Administrative Area)

1. Calculation of Taxes for Average Farm Family

a. To calculate total agricultural income for the farm family, add the total income from food-crop production (land which is self-cultivated, rented out, or cultivated by hired labor), income from economic crops, and income from special agricultural products.

b. To calculate the average income for each person, divide the total agricultural income by the number of persons in the farm family.

c. To calculate the amount of taxes to be paid by each person, multiply the average income for each person by the tax percentage rate for that average income.

2. Calculation of Taxes for Special Cases

a. Calculation of taxes for rented or leased land which is under contract to pay a certain amount of crops annually for rent: The amount taxable is calculated by adding the remainder of income from rented or leased land after rental payment to the family's regular agricultural income to get the total agricultural income.

b. Calculation of taxes for rented or leased land for which rent is paid according to a certain percentage of the crop harvested on the rented or leased land: The amount taxable is calculated by adding the remainder of income from rented or leased land after rental payment to the family's regular agricultural income to get the total agricultural income.

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c. Calculation of taxes for rented or leased land for which rent is paid according to agreement reached after harvest: The amount taxable is calculated by adding the remainder of income from rented or leased land after rental payment to the family's regular agricultural income to get the total agricultural income.

3. For taxes calculated on farm land owned by schools, orphanages, homes for the aged, hospitals, state-operated farms, family shrines, temples, churches, and public land, refer to "Directive on 1952 Agricultural Tax Collection of the Northwest Administrative Area as Promulgated by the Northwest Military and Administrative Committee."

### III. SUMMARY OF LAND-SURVEY AND OUTPUT-ASSESSMENT PROCEDURES AS PROMULGATED BY MINISTRY OF FINANCE, 5 JULY 1951

1. In order to collect agricultural taxes according to the tax rate, to determine the reasonable amount of collection, and to encourage agricultural production, land should be surveyed and output assessed. Therefore, the "Summary of Land Survey and Output Assessment" is to be put into effect immediately.

2. The operational procedures for land-survey and output-assessment work in various areas are as follows:

a. In the old liberated areas where land survey has been completed, the government of those areas should determine the normal annual output in 1951. In those areas where land reform has not been completed, there should be a continual survey and adjustment so that normal annual output will be determined prior to the end of 1952.

b. In the newly liberated areas where land reform has been completed, land-registration documents are to be issued. The survey of the land status should be made, and normal annual output determined within 3 or 4 years.

c. In the newly liberated areas where land reform has not been enforced, lowering of rent and agricultural tax collection are to be carried out. Land which has not been reported to the government should be surveyed.

Output assessment is the responsibility of the hsien government. Results are to be approved by the provincial government and the military and administrative committee of the administrative area and sent to the Ministry of Finance for final approval.

3. Methods of conducting land survey and output assessment are as follows:

a. Land survey: The newly liberated areas are to use the old land-tax material as a guide and employ the former land-tax collection personnel to review the actual situation. After revising the tax records, the new tax-collection laws are to be promulgated to the villages.

b. Output assessment: In areas where output assessment was closely calculated, the new survey should use the old regulations as a guide. In areas where output assessment was not closely calculated, the land status should be readjusted and the output assessment should be revised. The hsien government is to survey, evaluate, and classify land status. If time allows, the output-assessment plan should be sent to hsien people's representative conference or to the district farmers representative conference for discussion.

4. Calculation of taxes for land area and normal annual output should be made in accordance with the "Regulations on Agricultural Taxes on Land and Normal Expected Annual Output" as approved and promulgated by the Finance and Economic Committee, Government Administrative Council, Central People's Government.

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5. To expediently complete the land-survey and output-assessment work, land-survey and output-assessment committees below the provincial level should be formed with personnel from the government as chairmen and agricultural representatives as members.
6. The land-survey and output-assessment committees must go into the rural areas and spread the government policy on agricultural taxation and the significance of land survey and output assessment. The committees must activate the farmers to participate in land-survey and output-assessment work.
  - a. Hsiang (ch'uan) agricultural tax survey and evaluation committees are to be responsible for the survey of agricultural population and land area and the recording of agricultural taxes on land. In accordance with the output standard for the different types of land status as reported by the hsien government, the agricultural income of the population is calculated and agricultural tax records are compiled.
  - b. Hsien land-survey and output-assessment committees are responsible for determining the normal annual output, for aiding the hsien government in surveying land for levying agricultural taxes of the districts and villages, for controlling the balance of production in districts and villages, and for compiling the hsien agricultural tax records.
  - c. Provincial land-survey and output-assessment committees are responsible for the following: promoting hsien land-survey and output-assessment work, training cadres to spread agricultural experience, surveying the agricultural tax records of villages, controlling the balance of production in the hsien, compiling the records on agricultural taxes of hsiens, and, if the occasion arises, designating the hsiens, districts, and villages to organize a joint survey and evaluation committee to adjust the land-output assessment at bordering hsiens, districts, and villages.
7. Personnel carrying out land-survey and output-assessment work should not deliberately lower or raise the calculation of normal annual output rate.
8. The finance and economic departments on all levels of the People's Government, together with the land-survey and output-assessment committees, should establish systems for writing agricultural tax collection records, notices, statistics, and reports.
9. All military and administrative committees of administrative areas and the Ministry of Finance and the finance departments of provinces and cities should follow this summary in surveying the local situation. Plans are to be approved by the governments of the same level and sent to the Ministry of Finance for future reference.

Po I-po, Minister of Finance  
of the Central People's Government

[Figures follow.]

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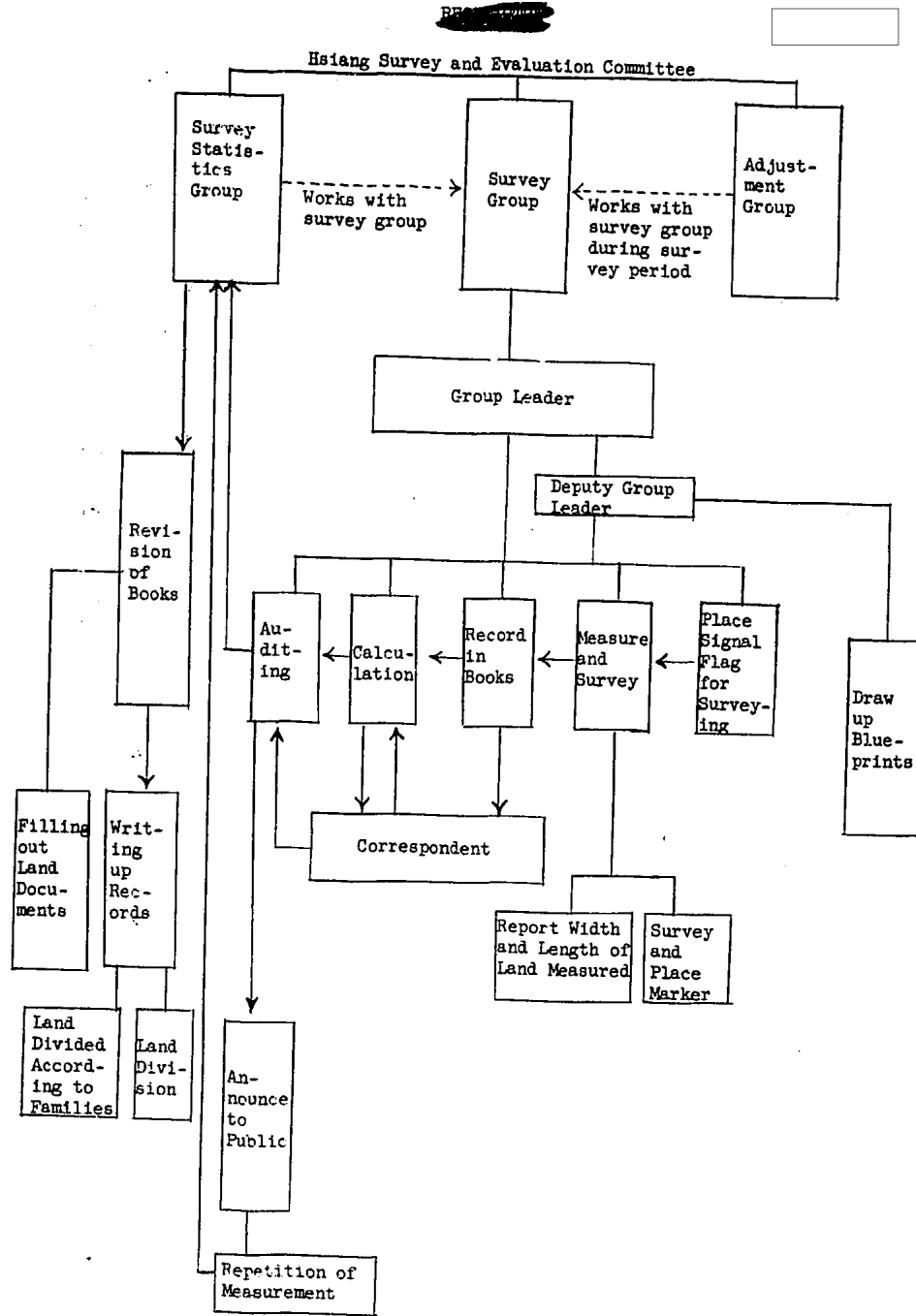


Figure 1. Land Survey Procedures

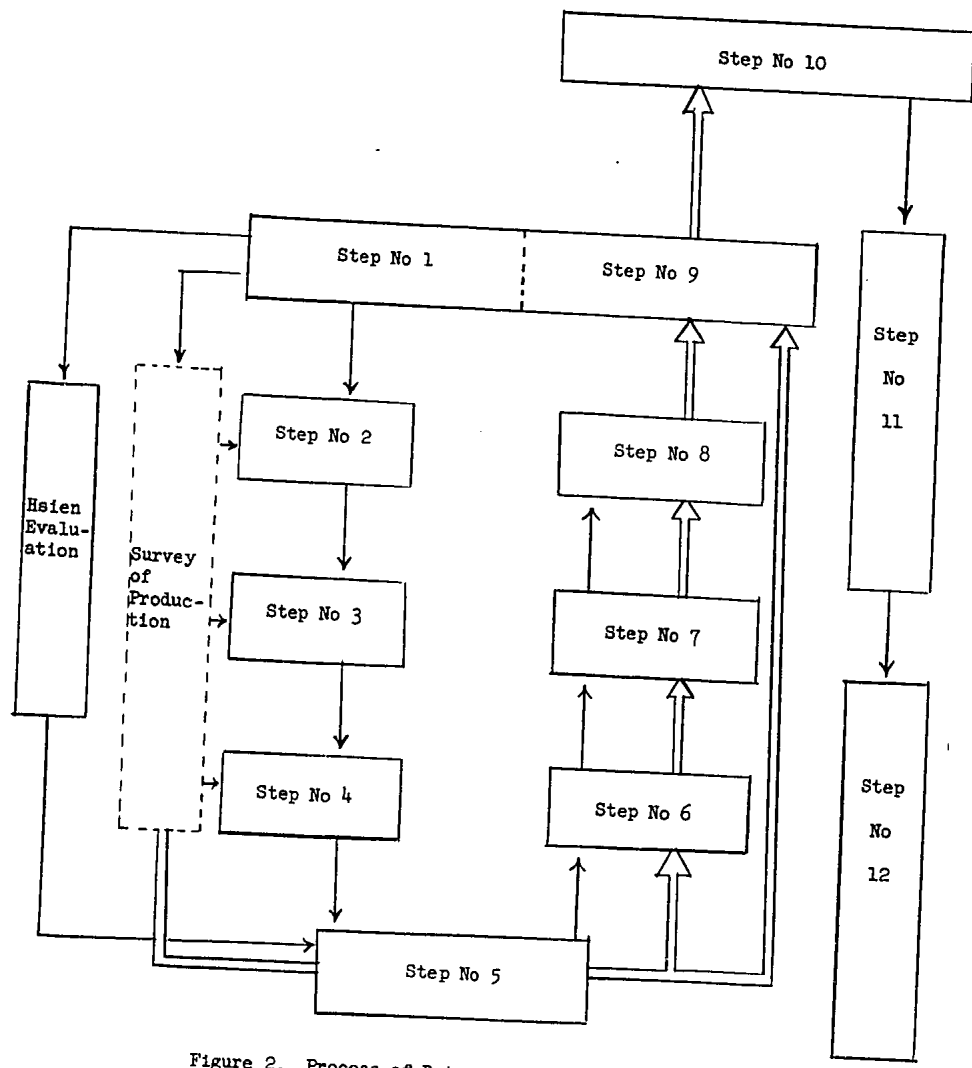


Figure 2. Process of Determining Output Assessment

(Note: For explanation of steps, see next page.)

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Explanation of Figure 2

Step No 1: (Centralized Control) Hsien Land-Survey and Output-Assessment Committee -- Hsien calls conference to plan work and draw up rough draft of the division of land within the hsien

Step No 2: Disputed Areas Within a District Under Joint Evaluation

1. Establish a central point for evaluation, including bordering hsiens
2. Establish a standard for the land status as a reference

Step No 3: Disputed Areas Within the Administrative Area

1. Establish hsiang land evaluation committee
2. Follow the opinions and suggestions on determining land status given by the committee and study the disputed areas

Step No 4: Disputed Areas Within a Hsiang

Suggestions from the hsiang on the land status are given

Step No 5: Centralized System to Determine the Land Status

1. Using the old records as a guide, study and survey the division of land for a hsiang
2. Field work
3. Select certain areas and classify the land status
4. Draw up blueprints
5. Report on statistics

Step No 6: Classifying the Land Status in Hsiang Areas Under Evaluation

1. Determine the land status
2. Incorporate the survey
3. Report on statistics

Step No 7: Classifying the Land Status in Administrative Areas Under Evaluation

1. Determine the land status
2. Incorporate the survey
3. Report on statistics

Step No 8: Grouping Land in Districts Under Evaluation

1. Survey of land under the control of Administrative Area
2. Incorporate the survey



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3. Discussion and revision of suggestions for output capacity of districts

4. Report on statistics

Step No 9: Organize the land status of hsien

1. Study the reports on output capacity of the districts

2. Study the preliminary output-assessment plan

3. Organize the land status of hsien

Step No 10: The delegates of various groups from the hsien approve the output-assessment plan

1. Report on process for determining output assessment

2. Discussion held by units

3. Approval by majority at conference

Step No 11: Ch'u or hsiang convenes delegates of various groups or peasant delegates conferences for the purpose of discussing the implementation of the output-assessment plan

Step No 12:

1. Village calls conference on methods

2. Village calls people's conference to announce output-assessment plan

Survey of production:

1. Organize unit on output survey

2. Understand output capacity by survey, comparison, and evaluation

3. Survey of average land output

4. Small group discussions

5. Determining output

Hsien Joint Evaluation:

1. At the time of output assessment, delimit the hsien boundaries

2. Each point of evaluation includes one or more hsiang from bordering hsien

3. Hsien is to organize and to establish a standard for output assessment



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