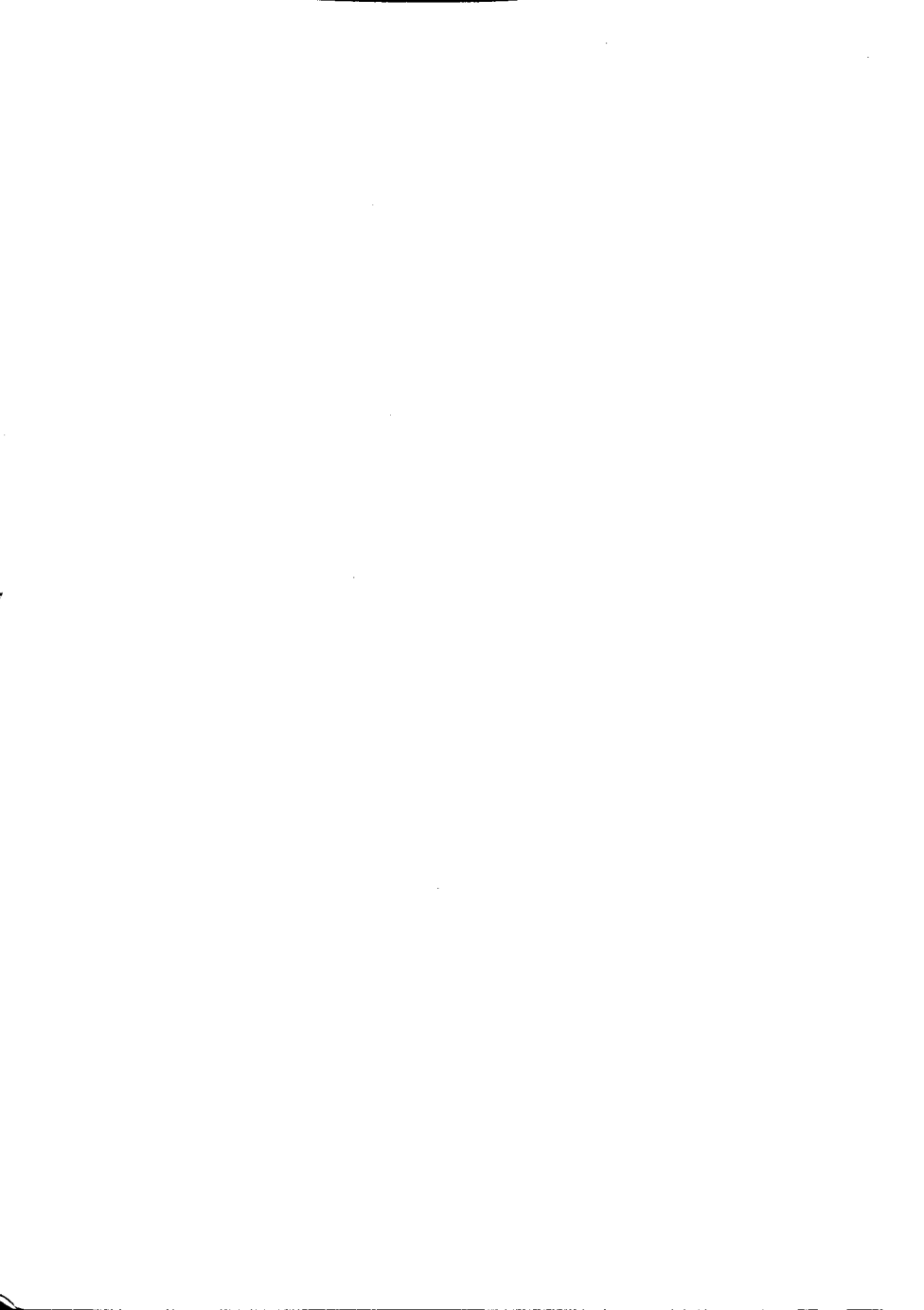


Chen Po-ta

A STUDY
OF LAND RENT
IN PRE-LIBERATION
CHINA



FOREIGN LANGUAGES PRESS
PEKING



Chen Po-ta

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OF LAND RENT
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CHINA**

FOREIGN LANGUAGES PRESS
PEKING 1966

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PUBLISHER'S NOTE

The present English edition of Chen Po-ta's *A Study of Land Rent in Pre-Liberation China* is a revised translation based on the Chinese text published by the People's Publishing House, Peking, in 1955.

Printed in the People's Republic of China

**AUTHOR'S NOTE
ON THE SECOND CHINESE EDITION**

This booklet was written partly in the summer of 1945 and partly in the spring of 1946. The term "war period" as mentioned in it refers to the period of China's War of Resistance Against Japan (1937-45). The booklet was intended to be part of a work to be entitled *Agriculture and the Classes in the Chinese Countryside of Recent Times*. In manuscript form it is far from satisfactory, and, due to lack of time, a large amount of material relating to the land question in the revolutionary base areas has not been sifted and made use of. I publish it primarily to give readers some needed reference material and to solicit their views. Because of pressure of other duties, my research work was interrupted, and I was unable to write the other parts of the larger and more detailed work which I had originally planned to write. But I hope that this booklet will help to induce economists of New China to write good books on the history of China's agricultural economy.

This booklet was first published by the Hsinhua Bookstore of the Shansi-Chahar-Hopei Region in August 1947. It was reprinted in Peking in November 1949. In the present edition, I have made certain revisions, added certain explanations and corrected some errors in figures. My regret is that I have not sufficient time to make more revisions.

Chen Po-ta
Peking, April 19, 1952



**AUTHOR'S NOTE
ON THE REPRINTED CHINESE EDITION**

In this reprinting, I have made further revisions and some additions. The booklet is reprinted, only because it supplies some historical reference material.

Chen Po-ta
February 5, 1955

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CHAPTER I

THE RATE OF SURPLUS LABOUR IN AGRICULTURE AND THE DEGREE OF LANDLORDS' EXPLOITATION OF THE PEASANTS IN RECENT TIMES

It is a well-known fact that, in its semi-colonial and semi-feudal period, China's¹ agricultural productivity is low. An investigation, based on available material, into the rate of surplus labour in agriculture and the degree of the landlords' exploitation of the peasants will show that, under feudal landownership, surplus labour in agriculture is extremely small — a reflection of the low productivity — while the degree of the landlords' exploitation of the peasants is extremely high.

The General Economic Conditions of Kwangsi Province, a report of an investigation jointly undertaken by Chien Chia-chu, Han Teh-chang and Wu Pan-nung, published in 1933, gives us some useful information. I have availed myself of the data listed in the several tables in their book, namely: "Average Farm Expenditure of Peasant Households in Yulin County", "Average Domestic Expenditure of Peasant Households in Yulin County", and "Average Income of Peasant Households in Yulin County". Admittedly, this data is not sufficient to enable us to explain all the subject matter under study, and consequently our research work must have certain limitations.

¹ Here and elsewhere in this book, "China" refers to old China before liberation. All references in the footnotes are from Chinese sources except otherwise specifically mentioned. — *Tr.*

The expenditure of a peasant household may be divided into two parts: one, the expenditure on the means of production, including seed, fertilizer, farm tools, upkeep of livestock and farm buildings; the other, the expenditure on the means of subsistence, including household expenses and payment to year-round or seasonal helpers. The first part consists of the producers' instruments and subjects of labour. In the process of production these items of expenditure, according to the extent of their wear and tear or depreciation, are transferred into the new product in which the original amount of labour remains unchanged.

The second part consists of expenditure on the means of subsistence necessary for the production and reproduction of labour-power. In the course of production, the producer does not limit himself to creating enough goods to replenish his means of subsistence, but spends additional labour-time in producing a surplus amount.

The labour of the producer which goes to replace his means of subsistence is called necessary labour. That which is over and above necessary labour is called surplus labour. In a society in which different classes exist, the products of surplus labour are appropriated by the different exploiting classes. In a feudal or semi-feudal society, owing to the existence of feudal landownership, they are appropriated by the landlords in the form of land rent and by the government controlled by the landlord class, in the form of taxes.

In the data for Yulin County the peasant households are classified into: (1) owner-peasant; (2) owner-peasant and at the same time tenant-peasant (popularly known as semi-owner-peasant); (3) tenant-peasant; and (4) tenant-

peasant and at the same time farm labourer. For the purposes of our study, we shall consider all of them as direct producers. The first two categories may possibly have included certain rich-peasant farming, that is, capitalist farming, employing wage-labour. In individual cases, even the tenant-peasant may have carried on rich-peasant farming. The expenses, however, of hiring help constitute an insignificant part of the average peasant household expenditure. In the main, such hired labour is in the nature of seasonal help or mutual aid. For convenience, I shall group the labour of helpers together with that of the peasant household. Let us begin with the owner-peasant.

Average Yearly Expenditure of 16 Owner-Peasant Households in Yulin County

| 1. <i>Means of Production</i> | <i>Expenditure (in yuan)¹</i> |
|---|--|
| Depreciation of farm-buildings and tools | 9.05 |
| Upkeep of livestock | 46.27 |
| Seed | 26.67 |
| Fertilizer | 18.82 |
| Total | 100.81 |
| 2. <i>Means of Subsistence</i> <i>(yuan)</i> | |
| Household expenses | 251.31 |
| Expenses for year-round or seasonal help | 8.82 |
| Total | 260.13 |

¹Yuan refers here to the monetary unit (a Chinese dollar) in Kuomintang-controlled areas before liberation.

Average Yearly Income of These 16 Households

| | (yuan) |
|------------------------------------|---------------|
| Farm income | 291.21 |
| Income from cottage occupations | 96.72 |
| Income from subsidiary occupations | 22.50 |
| Total | 410.43 |

If we take farm income alone, leaving out income from cottage and subsidiary occupations, the amount (291.21 yuan) is short by 69.73 yuan in meeting expenditure for the means of production (100.81 yuan) and for the means of subsistence (260.13 yuan), to say nothing about surplus.¹ It can be seen, therefore, that the scale of farming of owner-peasants is small and productivity low — so low that it is insufficient to maintain the normal living standard of a peasant household. If, however, we take into account income from cottage and subsidiary occupations, then there is a balance of 49.49 yuan, which represents income from surplus labour. So we have the following formula for the rate of surplus labour, i.e. the ratio of income from surplus labour to the expenditure for necessary labour:

¹ *Author's note:* A part of farm income has possibly been appropriated by merchant capital or usury capital, in the market where the peasants sell cheap and buy dear, or through loans at high interest with young crops as mortgage. Likewise, a part of the income from cottage and subsidiary occupations has been appropriated by merchant capital and by the officials. The figures here which do not explain this point only give a general idea of the necessary and surplus labour of the peasant households and, therefore, do not present a complete picture. The same applies to similar figures in following tables.

$$\frac{49.49 \text{ yuan (Income from surplus labour)}}{260.13 \text{ yuan (Expenditure for means of subsistence)}} = 19\%$$

In other words, even by counting the income from cottage and subsidiary occupations, the rate of surplus labour is no more than 19 per cent. The amount of surplus labour is very small.

Owner-peasants pay no land rent but are exploited in the form of taxes to the amount of 6.81 yuan a year on the average, which is equivalent to 2.6 per cent of the necessary labour. If we add this 6.81 yuan to the deficit of 69.73 yuan mentioned above (without counting the income from cottage and subsidiary occupations), it brings the total deficit to 76.54 yuan, which is 29 per cent of the expenditure for the means of subsistence (i.e. payment for necessary labour). If the income from cottage and subsidiary occupations is counted, the taxes would be 13.7 per cent of the income from surplus labour. But, in addition to the taxes mentioned in the report, there are the ever-increasing exorbitant miscellaneous levies, which usually exceed the regular land taxes, not by two or three times, but even up to several dozen times as much. If all these levies were included, the total would be much different. Under such circumstances, a great number of owner-peasants (the exceptions would be those few rich peasants who may be able, through their economic, and more particularly their political, advantages, to obtain an exemption or else shift the burden to other people) are exploited to such an extent that not only a part, or a large part of their surplus labour, but

the entire income from their surplus labour and even a part of their necessary labour is exploited.

Next let us look at the expenditure and income of the owner-peasant who is at the same time tenant-peasant.

**Average Yearly Expenditure of
27 Households of Owner-Peasants in Yulin County,
Who Are at the Same Time Tenant-Peasants**

| <i>1. Means of Production</i> | <i>Expenditure (in yuan)</i> |
|--|----------------------------------|
| Depreciation of farm-buildings and tools | 3.15 |
| Upkeep of livestock | 37.06 |
| Seed | 18.89 |
| Fertilizer | 25.98 |
| Total | 85.08 |
| <i>2. Means of Subsistence</i> | |
| | <i>(yuan)</i> |
| Household expenses | 205.69 |
| Expenses for year-round or seasonal help | 8.10 |
| Total | 213.79 |

Average Yearly Income of These 27 Households

| | |
|------------------------------------|---------------|
| | <i>(yuan)</i> |
| Farm income | 320.33 |
| Income from cottage occupations | 0.62 |
| Income from subsidiary occupations | 28.75 |
| Income from renting out farm tools | 0.36 |
| Total | 350.06 |

The above figures show that on the expenditure side, outgoings for the means of production are 85.08 yuan and for the means of subsistence 213.79 yuan. On the income side, if we take farm income alone, leaving out income from cottage and subsidiary occupations, then the income from surplus labour is 21.46 yuan. The rate of surplus labour is as follows:

$$\frac{21.46 \text{ yuan (Income from surplus labour)}}{213.79 \text{ yuan (Expenditure for means of subsistence)}} = 10\%$$

In this case, the rate of surplus labour is 10 per cent. If, however, we include the income from cottage and subsidiary occupations and income from renting out farm tools, then the income from surplus labour would be 51.19 yuan, and the rate of surplus labour 23.94 per cent.

The amount of land rent and tax paid by the owner-peasant who is at the same time tenant-peasant is 55.78 yuan and 0.72 yuan respectively. Counting farm income alone (320.33 yuan), land rent (55.78 yuan) is 260 per cent of the income from surplus labour (21.46 yuan); while rent and tax together (56.50 yuan) is 263 per cent. Thus, rent takes not only the whole amount of surplus labour, but also 16 per cent of the necessary labour (213.79 yuan). If tax is added to rent, the amount appropriated from necessary labour is 35.04 yuan or 16.4 per cent.

Counting farm income, income from cottage and subsidiary occupations and income from renting out farm tools together (350.06 yuan), rent is 109 per cent of the income from surplus labour (51.19 yuan); rent and tax together 110 per cent. Rent takes not only the whole of

surplus labour, but absorbs 2.1 per cent of the necessary labour. Rent and tax together absorbs 2.48 per cent of the necessary labour.

The owner-peasant who is at the same time tenant-peasant has a double capacity. As he owns land, he is a small landowner who does not pay rent. As he rents land, he is attached to the landlord's land and has to pay rent. (Some of these peasants own more land than they rent.) The figures shown here do not give us full information, since they do not treat his dual capacity separately. If we could calculate the amount of rent he pays only out of the income from the land he rents, the degree of exploitation to which he is subjected would be much higher.

Let us now see the expenditure and income of the tenant-peasant.

Average Yearly Expenditure of 26 Tenant-Peasant Households in Yulin County

| 1. <i>Means of Production</i> | <i>Expenditure (in yuan)</i> |
|--|----------------------------------|
| Depreciation of farm-buildings and tools | 5.15 |
| Upkeep of livestock | 19.64 |
| Seed | 19.28 |
| Fertilizer | 22.78 |
| Total | 66.85 |
| 2. <i>Means of Subsistence</i> | |
| | <i>(yuan)</i> |
| Household expenses | 177.72 |
| Expenses for year-round or seasonal help | 6.14 |
| Total | 183.86 |

Average Yearly Income of These 26 Households

| | <i>(yuan)</i> |
|------------------------------------|---------------|
| Farm income | 270.14 |
| Income from cottage occupations | 3.24 |
| Income from subsidiary occupations | 13.53 |
| Total | 286.91 |

The above figures show that on the expenditure side the payment for the means of production is 66.85 yuan and payment for the means of subsistence 183.86 yuan (totalling 250.71). On the income side, we first consider farm income alone (270.14 yuan). Leaving out other income, income from surplus labour is 19.43 yuan. The rate of surplus labour is:

$$\frac{19.43 \text{ yuan (Income from surplus labour)}}{183.86 \text{ yuan (Expenditure for means of subsistence)}} = 10.56\%$$

In this case, the rate of surplus labour is 10.56 per cent. If, however, we count the income from cottage and subsidiary occupations, the income from surplus labour would be 36.20 yuan and the rate of surplus labour 19.68 per cent.

The tenant-peasant pays land rent to the amount of 68.51 yuan. Counting farm income alone, rent is 353 per cent of the income from surplus labour. It takes the whole of surplus labour, and more. It appropriates 26.69 per cent of necessary labour (183.86 yuan). Counting other income, rent amounts to 189.25 per cent of surplus labour and appropriates 17.6 per cent of the necessary labour.

Let us now proceed to study the case of the tenant-peasant who is at the same time farm labourer.

**Average Yearly Expenditure of
Seven Households of Tenant-Peasant
in Yulin County, Who Are at the
Same Time Farm Labourers**

| <i>1. Means of Production</i> | <i>Expenditure (in yuan)</i> |
|--|----------------------------------|
| Depreciation of farm-buildings and tools | 2.01 |
| Upkeep of livestock | 14.62 |
| Seed | 9.88 |
| Fertilizer | 6.31 |
| Total | 32.82 |
| | |
| <i>2. Means of Subsistence</i> | <i>(yuan)</i> |
| Household expenses | 141.07 |
| Expenses for year-round or seasonal help | 2.83 |
| Total | 143.90 |

**Average Yearly Income of the
Seven Households**

| | |
|------------------------------------|---------------|
| | <i>(yuan)</i> |
| Farm income | 165.93 |
| Income from cottage occupations | 18.79 |
| Income from subsidiary occupations | 20.82 |
| Total | 205.54 |

The above figures show that payment for the means of production is 32.82 yuan and payment for the means of subsistence is 143.90 yuan totalling 176.72 yuan.

On the income side, if we consider farm income alone (165.93 yuan), not only is there no income from surplus labour but there is a deficit of 10.79 yuan. If we count the income from cottage and subsidiary occupations, the

income from surplus labour is 28.82 yuan. The rate of surplus labour is:

$$\frac{28.82 \text{ yuan (Income from surplus labour)}}{143.90 \text{ yuan (Expenditure for means of subsistence)}} = 20\%$$

The tenant-peasant who is at the same time farm labourer pays land rent to the amount of 38.8 yuan. Counting farm income alone, there is, as shown, no income from surplus labour, and rent appropriates 27 per cent of the necessary labour. Rent added to the deficit of 10.79 yuan makes a total of 49.59 yuan which is 34 per cent of the expenditure for the means of subsistence (in other words, 34 per cent of the necessary labour is appropriated). If we count the incomes from cottage and subsidiary occupations, rent is 134.6 per cent of the surplus labour, i.e. rent takes the whole surplus labour and appropriates 6.9 per cent of the necessary labour.

The tenant-peasant who is at the same time farm labourer has a double capacity. In one, he is a small owner though he is attached to the landlord's land; in another, he is a hired labourer and belongs to the rural proletariat.

The above figures do not give us full information since they do not show the two different capacities, nor do they take into account the amount of his exploitation as a wage-labourer. If the latter were taken into account, the rate of exploitation would undoubtedly be much higher than the figures shown above.

Let us now take some figures from the above tables to make a further analysis:

| Column | 1 | 2 | 3 | 4 | 5 |
|---|-----------------------------------|---|---|--|---|
| | Average household expenses (yuan) | Expenses for year-round or seasonal help (yuan) | Average expenditure for means of subsistence to total expenditure (%) | Average expenditure for means of production to total expenditure (%) | Of which: depreciation for farm-buildings & tools is: (%) |
| Owner-peasant | 251.31 | 8.82 | 72 | 28 | 2.5 |
| Owner-peasant & at the same time tenant-peasant | 205.69 | 8.10 | 71.53 | 28.47 | 1 |
| Tenant-peasant | 177.72 | 6.14 | 73.3 | 26.7 | 2 |
| Tenant-peasant & at the same time farm labourer | 141.07 | 2.83 | 81.5 | 18.5 | 1.13 |

The first column of the above table shows that the further the peasants are removed from their ownership relations to the land, the worse their conditions become. The expenses of an ordinary peasant household are generally below minimum living standard — often far below. Many items of necessary expenditure, such as education, are not included.

A German author, Wagner, in his *Die Chinesische Landwirtschaft*, gives an account of a Shantung tenant-peasant who worked on 20 *mou*¹ of land in the early years of the Republic of China. This peasant's household expenses are calculated at 107.2 taels of silver.² "But," he points out, "as there are four adults and five children in his family, the per capita subsistence amount is incredibly small."³

For the sake of explanation, household expenses have been taken to express the amount of necessary labour, but in fact they do not express the latter in full. The lower a peasant household descends on the economic ladder, the less such expenses can represent necessary labour. The figures in the first column of the table show that the smaller the peasant's household expenses, the less the necessary labour he performs for his own subsistence.

Likewise, in the second column of the above table, the figures show that the lower the peasants descend on the economic ladder, the less they can spend on hiring labour hands (largely seasonal help or labour exchange). Evidently the scope of farming becomes smaller and the peasants

¹ A *mou* equals 1/15 of a hectare, or 1/6 of an acre.

² A tael equals 31.3 grammes, or 1.1023 ounces.

³ Chinese translation, Commercial Press, Shanghai.

become poorer as they are further removed from their relations to the land.

The figures in columns 3, 4, and 5 show that the percentage of expenditure for the means of subsistence is much larger than that for the means of production, indicating a low organic composition of agricultural economy and an extremely backward farm technique. All this discloses that in its semi-colonial and semi-feudal period, China's productive forces and mode of production are extremely backward. It is just as Marx has pointed out: "Should labour-power be minute, and the natural conditions of labour scanty, then the surplus-labour is small. . . ."¹

Since the peasants work with crude or even primitive farm tools, they can have only a very small amount of surplus labour, which is obtained by strenuous work over long hours by the whole family — men, women, old and young. Even then, they cannot satisfy the greed of the landlords. The peasants, therefore, have always to be in rags and have to eat food of the coarsest kind, fit only for animals, in order to meet the landlords' rapacious demands.

The chief characteristic of the natural and semi-natural economy in China's age-old feudal society as well as in its modern semi-colonial and semi-feudal society is: low agricultural productivity, hence small surplus labour, but very high degree of exploitation of the peasants by the landlords. Such exploitation not only takes the whole surplus labour but appropriates a part of the necessary labour. This is not capitalist land rent over and above

¹Karl Marx, *Capital*, Foreign Languages Publishing House, Moscow, 1959, Vol. III, p. 773.

average profit. It is the most ruthless and savage feudal land rent.

One of the tasks of the science of economics in China is to study this important problem. But bourgeois economists, in studying the problems of agricultural production and the rate of land rent in China, conceal the main feature—exploitation. Since they do not point out the difference between necessary labour and surplus labour in farm production in China's feudal or semi-feudal society, they naturally do not understand that the rate of surplus labour in agriculture is small while the degree of actual exploitation of the peasants by the landlords is high. Their theory on land rent is, therefore, wrong.

It is this chief factor of exploitation which has prevented China's entire social production (agriculture and industry) from making progress—her economy at best remaining in the stage of simple reproduction. The peasants are fleeced inhumanly, and only eke out a bare existence. According to the tables in the foregoing pages about Yulin County, the accounts of the peasant households, with the exception of the owner-peasant, all show a deficit—the deficit of the tenant-peasant being the largest. Wagner's *Die Chinesische Landwirtschaft* also confirmed this point. The example he gave of a Shantung tenant-peasant who worked on 20 *mou* of land was “a graphic illustration of the sad plight of the Chinese tenant-peasant”. There is much data relating to the provinces in southern, northern and central China, which all confirm the same point, i.e. because of ruthless exploitation, the tenant-peasant can never make both ends meet. The investigation report on Kwangsi Province, described on the foregoing pages, besides giving accounts of the income and expenditure of the peasants, has this to say:

From the account of the peasant households, the cases cited in the counties concerned show that the yearly income from the farm and subsidiary occupations is not enough to meet the expenditure. The conditions in the other counties investigated are much the same. Many peasant households have to live by borrowing, and usury capital profits from the situation, forcing the peasants into bankruptcy.

As a matter of fact, we have not yet completely described the degree of actual exploitation. In addition to regular land rent, the tenant-peasants have often to present the landlord with gifts of meat, poultry, rice, flour, etc. Then there are, as described before in connection with the owner-peasants, the continually-imposed surtaxes on land and compulsory contributions to various funds. These burdens combine to make the degree of exploitation still greater. Moreover, the peasants have to pay usurious interest on loans to meet deficits, and because they have to sell cheap and buy dear they actually pay extra profit to the landlords, compradors and officials who monopolize the market. All these payments must be counted as additional exploitation.

During the anti-Japanese war, while the Communist-led Liberated Areas were enforcing reduction of land rent and interest, the Kuomintang-controlled areas raised the amount and rate of land rent, which meant an increase in the degree of the landlords' exploitation of the peasants. Unfortunately I have no complete comparative data for the pre-war and war periods on hand. But I can quote from an article in *Economic Information*¹ published by the College of Agriculture of the University of Nanking

¹ *Economic Information*, No. 84, pp. 792-94.

in July 1941. The article entitled "Making Out an Account for the Tenant-Peasant in Chengtu Plain" helps us to get a general idea of the rate of surplus labour and the degree of exploitation of the tenant-peasant during the war period. From the material in this article, tables have been made as follows:

**The Expenditure of a Tenant-Peasant Who Worked on
20 Mou of Land in the Second District of Wenchiang
County, Szechuan Province, in 1941**

| 1. <i>Means of Production</i> | <i>Expenditure (in yuan)</i> |
|---|----------------------------------|
| A. First Season Crop | |
| Farm tools depreciation | 100 |
| Upkeep of livestock | 180 |
| Seed | 193 |
| Fertilizer | 596 |
| Total | 1,069 |
| B. Second Season Crop | |
| Farm tools depreciation | 100 |
| Upkeep of livestock | 180 |
| Seed | 320 |
| Fertilizer | 880 |
| Total | 1,480 |
| Total for First and Second Seasons | 2,549 |
| | |
| 2. <i>Means of Subsistence</i> | <i>(yuan)</i> |
| Labour cost, first season | 2,346 |
| Labour cost, second season | 2,760 |
| Total | 5,106 |

Here living expenses are calculated in terms of "labour cost", possibly not including a part of sundry household expenses. If the latter are fully accounted for, the actual figure for living expenses would be larger. Taking the figures in this table, living expenses constituted 66.7 per cent of total expenditure, while depreciation of farm tools was only 2.6 per cent. (An investigation by the Department of Agronomics of the University of Nanking into 100 peasant households in Wenchiang County in 1938 shows that the average depreciation of farm tools was less than 2 per cent of total expenditure.) The low organic composition of agricultural economy and the backward farm technique indicated here are much the same as in Yulin County cited earlier.

Farm Income of the Same Tenant-Peasant

(including staple products and by-products)

| <i>Staple Products</i> | <i>Income (in yuan)</i> |
|------------------------|-----------------------------|
| First season | 3,298 |
| Second season | 5,300.625 |
| | |
| <i>By-products</i> | |
| First season | 980 |
| Second season | 1,000 |
| Total | 10,578.625 |

After payment from the income for the means of production (2,549 yuan), and means of subsistence (5,106 yuan), the income from surplus labour was 2,923.625 yuan. The rate of surplus labour was:

$$\frac{2,923.625 \text{ (Income from surplus labour)}}{5,106.000 \text{ (Expenditure for means of subsistence)}} = 57.3\%$$

This was a very high rate of surplus labour in old China. It would be a little lower, if sundry household expenses were included in the expenditure. Generally speaking, the rate of surplus labour in agriculture in Chengtu Plain was higher than that of other places. This was due to better soil and irrigation facilities, which, since early times, have made the Chengtu Plain a fertile land yielding good harvests—hence, it is historically known as “the land of abundance”.

According to this investigation, land rent during the war period took away almost the entire second season crop. In the words of the report:

The average yield per *mou* of rice is 7.5 pecks¹ of husked rice, but the land rent paid by the tenant to the landlord is, on the average, also 7.5 pecks; and the more fertile the land, the higher the rent. The tenant gets practically nothing in staple products; he can only get by-products.

Thus, in the foregoing table, the second season staple products amounted to 5,300.63 yuan which was equal to the amount appropriated in the form of land rent. Although the rate of surplus labour in Chengtu Plain was higher, yet land rent was 181 per cent of the income from surplus labour. In other words, rent, after taking away the whole surplus labour of the peasant, further appropriated 46.6 per cent of his necessary labour. This figure

¹ 1 peck equals 5 kilogrammes or 0.0984 hundredweight.

was much larger than that of the tenant-peasant in Yulin County where rent appropriated 26.69 per cent of the necessary labour.

It is true that, in other instances, the amount of land rent laid down on the lease contract might be lower than described above, say, 70 or 80 per cent of the second season crop. But the yield was often below the normal one. A tenant-peasant in Wenchiang County said, "One *mou* at most yields one picul (old measurement, which is equal to a little more than two piculs in the new measurement — *Chen Po-ta*) of rice, but the rent is eight pecks, and the second season crop is never enough to pay for rent."¹

In areas under the dictatorial rule of the Kuomintang, the degree of exploitation of the tenants during the war period was, in fact, higher than the figures cited above. Here is a report:

An agricultural expert . . . lived for one year convalescing in the home of a tenant-peasant in a village in Chengtu Plain. He saw for himself how the peasant worked and lived. He got to know exactly how this peasant fared between 1939 and July 1940. This peasant cultivated 21 *mou* of rice field. In 1940 the landlord raised the rent by one peck for each *mou* totalling about 210 yuan and 100 yuan for additional deposit. During that period of twelve months the peasant also had to pay many kinds of levies and to render services as follows:

Levies: Paid in lieu of conscription; contributions for winter clothes, purchase of aeroplanes, and ref-

¹ *Bulletin on Agricultural Popularization*, Vol. II, No. 8, p. 74.

ugee relief; straw fee; cash payment in lieu of labour services, totalling 368 yuan;

Labour services: Contributions for construction of airfield, highway, air-raid shelter, defence and sentry duties, etc., calculated in term of wages — 45 yuan;

Total for levies and services 413 yuan

Then, on account of rising costs in that period, the peasant had to pay more for labour, fertilizer, seed and daily necessities — this came to 460 yuan. The total for the year was 873 yuan. On the income side, the peasant received on account of the increased price of farm produce only 630 yuan.¹

As we have learned, land rent, taxes and other levies in that place were further raised after 1941. So the degree of exploitation of the peasants would certainly be even higher than described in the foregoing report.

These facts show that the tenant-peasants had to depend upon income from cottage and subsidiary occupations for their living expenses. The alternative was to borrow at high rates of interest.

An investigation shows that between 1940 and 1941, old loans constituted 16.5 per cent while new loans were 83.5 per cent² of the total indebtedness of the peasants in Wenchiang County. It may reasonably be assumed that the additional debt was incurred during the war period.

An investigation in 1940 showed that in Wuhsiang Town, Nancheng County, Shensi Province, 65 of 86 peas-

¹ Chang Hsi-chao, "Is the Countryside Prosperous Under Rising Prices?" *The Chinese Countryside*, Vol. VII, No. 6, p. 5.

² From investigation report No. 7, "The Rural Finance of Szechuan" of the Rural Economic Investigation Committee of Szechuan under the auspices of the Farmers' Bank of China.

ant households, or 75.6 per cent, were in debt. The report said, "Most of the loans contracted were to meet a deficit in living expenses; only a small part was for production purposes."¹

Another report said, "In areas in southern Shensi and northern Szechuan the rate of interest on loans in the countryside before the war was usually five per cent per month. But by the end of 1942 it was raised to as high as 30 to 50 per cent per month. Moreover, the time limit for repayment of loans was now shortened to less than six months — one year was exceptional — compared with a period from one year up to four years before the war."²

The speed with which interest rates were raised during the war period was also astonishing. In 1944, in the rural districts in western Honan after a famine, "the interest on a loan of 100 yuan was one or one and half yuan per day. This was the lowest (only between relatives or friends), but the usual rate was two or three yuan per day. In cases where peasants were in urgent need, the money-lenders mercilessly charged four or five yuan per day. Calculated at five yuan per day, the interest rate for 100 yuan was 1,800 per cent. Another form of loan was in kind, on which the interest charged was even higher."³ The more the peasants were exploited through rent and taxes, the deeper they sank into debt, thus placing themselves at the mercy of the usurers.

¹ Cheng Ping-hua, "The Peasants of Nancheng in Debt", *Bulletin on Agricultural Popularization*, Vol. III, No. 2.

² Chang Hsiao-mei, "Industrial Conditions in the Rear During the War", *General Survey on Industry*, Chapter III, pp. 109-10.

³ Shih Lan, "Present Condition in the Countryside of Western Honan", *Chinese Peasant*, Vol. IV, No. 4.

Su Shih, a famous scholar of the Sung Dynasty (960-1279), gave a description of the miserable life of the peasants of his time. He said,

Burdened with accumulated debts, they are like men treading with a heavy load on their shoulders. Lucky enough if they do not fall. How could they have time to lift their heads and arms to try to get more than a meal?

These words of Su Shih still hold true to the present conditions of the peasants in Kuomintang-controlled areas, and, in fact, these peasants are living an even more miserable life than those of the Sung Dynasty. Their "accumulated debts" are the result of multifarious exploitations. "How could they have time to try to get more than a meal?" Under the conditions prevailing it is impossible for them to improve or increase their production, nor are they keen to do so.

Comrade Mao Tse-tung, in his "The Chinese Revolution and the Chinese Communist Party", correctly pointed out:

The class struggles of the peasants, the peasant uprisings and peasant wars constituted the real motive force of historical development in Chinese feudal society. For each of the major peasant uprisings and wars dealt a blow to the feudal regime of the time, and hence more or less furthered the growth of the social productive forces.¹

At the same time, he pointed out:

. . . Although some social progress was made after each great peasant revolutionary struggle, the feudal

¹ *Selected Works of Mao Tse-tung*, Eng. ed., Foreign Languages Press, Peking, 1965, Vol. II, p. 308.

economic relations and political system remained basically unchanged.¹

It was just as Marx had said: "The structure of the economic elements of society remains untouched by the storm-clouds of the political sky."² In order to soften the peasants' struggle, the feudal ruling class, at the beginning of new regimes, generally adopted a policy of giving them a respite in order to revive production. But no sooner had they done this than they again, step by step, imposed increasingly heavy burdens of exploitation on the peasants.

Wagner, after giving an account of the tenant-peasant who worked on 20 *mou* of land as already mentioned, wrote: "Tenancy farming which exists in China can never promote progress in agriculture; it only retards it." His conclusion has been confirmed by facts from all areas — more clearly by the war-time rent exploitation. Tenancy farming is not only a shackle on the progress of agricultural production in modern China, but is also a shackle on the free development of the national economy as a whole including industry. Another shackle, as we know, is foreign imperialist oppression.

In China's agricultural economy in the period under review, the fact is that the high degree of exploitation of the peasants by the landlords was not only a hindrance to the progress of social production as a whole, it was the main cause of the peasants' sorry plight in which so many had to sell their land, houses, and even, in times of stress, their wives and children.

¹ *Ibid.*, p. 309.

² Karl Marx, *op. cit.*, Vol. I, p. 358.

Under such a high rate of exploitation, if we assume that a reduction of 25 per cent was made in land rent, the degree of exploitation of the tenant-peasant in Yulin County before the war would still have been 264 per cent of surplus labour, appropriating 17 per cent of the necessary labour (counting income from cottage and subsidiary occupations, it was 142 per cent of surplus labour, appropriating 8 per cent of the necessary labour). In the case of the tenant-peasant in Wenchiang County, the degree of exploitation during war time would still have been 136 per cent of surplus labour (the amount of which was comparatively high), appropriating 20.6 per cent of the necessary labour. It could be said, therefore, that 25 per cent reduction in land rent would have been only a first step in weakening feudalism and lessening the oppression of the peasants.

The complete and absolute liberation of the peasants and the quickest possible development of industrial and agricultural productivity presuppose the entire elimination of exploitation of the peasants by the landlords. In other words, it is necessary to put an end to feudal or semi-feudal landownership. It is necessary to give "land to the tillers", that is, to set up an agrarian system based on complete emancipation from feudalism. Such a system, objectively speaking, clears a path for the development of capitalism. Nevertheless, since the peasants obtain land under the leadership of the proletariat, it at the same time opens a way for the development of socialism.

Precisely because the Chinese peasants have been ruthlessly oppressed for ages and because they have vast untapped latent power, they will undoubtedly unfold great initiative in production and quickly raise produc-

tivity, once rent and interest reduction and land reform are carried out in the Liberated Areas, followed by producers' co-operative movements of various forms, such as the labour-exchange teams and work-exchange groups.

Many examples already confirm this assertion: "In the Shensi-Kansu-Ningsia Border Region average agricultural production has been raised 50 per cent; in Taihang Region, 33 per cent; in Shansi-Chahar-Hopei Border Region, 30 per cent; and in other areas, 20-50 per cent."¹

As I wrote the foregoing a dispatch was placed before me. It reported that in a village of Laishui County west of Peking in 1945, "102 peasants were organized under the leadership of Ta Shen, a labour hero. By intensive cultivation, the village's farm produce reached 468 piculs of millet which was 282 piculs more than 1944".² In other words, production jumped 151 per cent.

In individual cases in Shensi-Kansu-Ningsia Border Region, production increase was as high as 200 per cent. Facts like these are numerous, and they are only the beginning. Provided that rent and interest reduction and land reform are carried out, that assistance by the democratic government in finance and organization is given, and that the peasants under the leadership of the working class and the Communist Party respond to Chairman Mao Tse-tung's call to "get organized" and unfold a producers' co-operative movement, then agricultural production which has remained stagnant for a very long period will quickly advance.

¹ Wang Hsueh-wen, "Perspectives for Development of Capitalist Economy in China as Seen Through the Land Reform in the Liberated Areas", *Liberation Daily*, January 22, 1946.

² "A Poor Mountain Village in Laishui Becomes Rich", *Liberation Daily*, February 6, 1946.

The road forward is from reduction of rent and interest to complete realization of "land to the tillers"; and then from democratic revolution to socialism. By this road, the productive forces of China's national economy, in industry as well as in agriculture, will rise by leaps and bounds.

CHAPTER II

FORMS OF LAND RENT

The predominant form of land rent since early times in China has been in farm produce, or rent in kind, reflecting the natural economy of feudal society. In modern semi-colonial and semi-feudal China, the predominant form is, in general, still rent in kind.

Marx said:

This rent in kind, in its pure form, while it may drag fragments along into more highly developed modes of production and production relations, still presupposes for its existence a natural economy. . . .¹

In early times, China also had other forms of land rent. During the Western Chou Dynasty (c. 11th century B.C.-771 B.C.), labour rent (*corvée*) was, perhaps, the predominant form of land rent. Later, rent in kind gradually took precedence, but labour rent still existed down to the recent times, often as an important supplement to rent in kind. Besides paying rent proper, the peasants, from time to time, had to render services in the homes of the landlords, without pay. In a few areas in China inhabited by minority nationalities and in backward areas, labour rent remains at present the predominant form. Money rent appeared only when rent in kind was widespread. Money rent was in existence very early in China, as in the period

¹ Karl Marx, *op. cit.*, Vol. III, p. 775.

of the Warring States (475-221 B.C.), rent was already sometimes calculated in money — obviously the result of the development of commodity and money relations. But owing to the stagnant social economy, this form of rent did not spread to any significant degree nor did it occupy an important place. It was sporadic, an incidental form of land rent under feudal economy, an unimportant supplement to rent in kind.

In recent times the growth of commodity economy in agriculture, rural money relations, and foreign trade brought about changes in the form of land rent in China, that is, the development of money rent in certain areas. The table on the following page showing the different forms of land rent in 1934 as compared with ten years earlier illustrates this tendency.

Of course, the forms of rent shown in the table are described in customary terms and not in technical terms. As we have learned, there were, in history, three forms of land rent: labour rent, rent in kind and money rent. "Crop rent" and "share-rent" listed here are both rent in kind. Crop rent means a fixed amount of the crop pledged by the tenant-peasant to the landlord, regardless of whether the harvest is good or bad. Share-rent means that the amount of rent is fixed in proportion to the yield as agreed upon between the landlord and the tenant. Another type of share-rent is that the landlord supplied land and the greater part or the whole of the seed, farm tools and housing. In some cases the tenant has to pay the landlord for these things out of the yield. "Group farming" in Northwest China, for example, is also a form of rent in kind. Advance rent payment (that is, money rent paid before the harvest) is a form of money rent. "Converted rent" means crop rent commuted into money,

CHANGES IN DIFFERENT FORMS OF LAND RENT IN SEVERAL PROVINCES (1934)¹

| Province | | Kiangsu | Chekiang | Anhui | Kiangsi | Shantung | Shansi | Honan | Kansu | Total |
|--|--|---------|----------|-------|---------|----------|--------|-------|-------|-------|
| No. of counties investigated | | 13 | 7 | 2 | 15 | 31 | 2 | 24 | 3 | 97 |
| Crop rent | | % | % | % | % | % | % | % | % | % |
| 1934 | | 45 | 70 | 15 | 71 | 40 | 30 | 44 | 45 | 45 |
| 1924 | | 46 | 71 | 15 | 71 | 43 | 30 | 44 | 45 | 46 |
| Share-rent | | | | | | | | | | |
| 1934 | | 13 | 2 | 53 | 14 | 21 | 70 | 27 | 50 | 34 |
| 1924 | | 14 | 2 | 55 | 14 | 22 | 70 | 29 | 50 | 35 |
| Money rent | | | | | | | | | | |
| 1934 | | 16 | 10 | 10 | 8 | 29 | 0 | 15 | 5 | 11 |
| 1924 | | 16 | 9 | 10 | 7 | 25 | 0 | 15 | 5 | 10 |
| Crop rent commuted into money | | | | | | | | | | |
| 1934 | | 17 | 14 | 15 | 7 | 8 | 0 | 7 | 0 | 8 |
| 1924 | | 15 | 14 | 15 | 7 | 8 | 0 | 6 | 0 | 7 |
| Share-rent (Landlord supplies land and greater part of or all seed, farm tools and houses) | | | | | | | | | | |
| 1934 | | 1 | 0 | 5 | 0 | 1 | 0 | 4 | 0 | 1 |
| 1924 | | 1 | 0 | 5 | 0 | 1 | 0 | 4 | 0 | 1 |
| Rent paid in advance | | | | | | | | | | |
| 1934 | | 8 | 4 | 0 | 0 | 1 | 0 | 3 | 0 | 1 |
| 1924 | | 8 | 4 | 0 | 1 | 1 | 0 | 2 | 0 | 1 |

¹ Taken from *Statistical Analysis of Rent System in China*, p. 43.

a transitional form from rent in kind to money rent. It is already money rent, but in this case the landlord can restore rent in kind whenever he considers it advantageous to himself. It is, therefore, not the usual fixed form of money rent.

The table shows that in the 97 counties of the eight provinces investigated, rent in kind (crop rent, and two types of share-rent) constituted 80 per cent in 1934 as compared with 82 per cent ten years earlier. Money rent constituted 12 per cent (20 per cent including crop rent commuted into money) in 1934 as compared with 11 per cent (18 per cent including crop rent commuted into money) ten years earlier. Rent in kind was the predominant form but the trend was towards gradual decrease of this form and gradual increase of money rent. At the same time, as the table shows, the transitional form — rent in kind commuted into money rent also gradually increased. However, the decrease of rent in kind in these places was not rapid, nor was the increase of money rent and its transitional form.

The table also tells us that money rent developed unevenly in different places. Generally speaking, it developed more in the provinces (as Kiangsu, Chekiang and Anhwei) where commodity economy was more extensive, or in the provinces (as Shantung and Honan) where cash crops were widely grown. Next came the places where there were more temple properties or properties belonging to family clans.

It is stated in *China Economic Year Book, 1934* (Vol. I, Chapter VII, p. 158):

In present-day China, the places where money rent is in practice are generally: (1) places where farm

products have become commodities, such as the areas growing mulberry trees, cotton, tea, tobacco, vegetables and fruit; (2) government or public land; (3) land belonging to local public bodies or family clans, such as the land owned by temples, monasteries and schools, military camping grounds, land for use of sacrifice to ancestors and land belonging to ancestral halls; (4) mortgaged land in the provinces.

As is well known, the countryside near Shanghai is the place where commodity economy and cash crops are most developed. In the same *China Economic Year Book, 1934* it says that an investigation there showed that money rent constituted 95 per cent of the total rent.

In the table, Kwangtung was not listed. As Kwangtung is a province where commodity economy and money relations are more advanced and where there are more properties belonging to family clans, money rent is comparatively widely in practice.

The table has a serious shortcoming in that it does not distinguish feudal land rent from capitalist land rent.

But even in a province like Kwangtung, rent in kind was still the predominant form. According to an investigation made by Chen Han-sheng in 1934:

Tenants of most dry land pay money rent. Throughout Kwangtung Province, rent is generally paid in grain. Only in Shunteh County is rent paid almost entirely in money, and in Chungshan County, for the greater part. In the counties of Hsinhui, Nanhai and Taishan, rent is paid in money in about as many instances as it is in grain. In some parts of Chaoan, Fanyu and Kaiping Counties, rent is paid in money. In the past ten years, the trend in the counties has been

towards money rent. Everywhere the practice of commuting grain rent into money rent can be seen. Nevertheless rent in grain is still the predominant form. In Fanyu where industry and commerce are more developed, out of the 70 villages investigated, in 24 rent is paid entirely in money, in 12 rent is paid in greater part or in whole in grain, and in the other 34 villages rent in grain is not in practice. These 70 villages did not include sandy areas which comprise one-fifth of the cultivated land of Fanyu County. In this district, although the tenants and share-croppers pay rent in money, the peasants pay in grain.

Rice crops have already become commodities, more so other produce, such as fruit, vegetables, and cotton. Hence, in rice-growing areas, money rent is not as extensive as in cash-crop areas. In four villages of Fanyu County where rice is grown, the area in which rent is paid in grain is bigger than that in which money rent is paid. In four villages growing fruit, vegetables, cotton and peanuts, rent paid in money constitutes 96.4 per cent of the total. In three villages of Kwangning County, tenants growing rice pay rent in rice while those growing bamboo pay in money. In Chaoan County rent in rice is paid for rice fields while money rent is, as a rule, paid on ground on which tangerines are grown. A striking case is one in Hsilin Township of Chaoan County. There, the big landowner in renting out ground for growing tangerines collected rent in crops at four piculs per *mou*. The tenant pays money rent in lieu of rent in crops only with the consent of the landlord.

As a rule, the big landowner likes to receive rent in grain so as to enable him to do speculative business.

He does not wish to receive money only. On the other hand, the middle peasant, who has relatively more cash on hand, and the rich peasant engaged in growing fruit and vegetables, prefer to pay money rent. Only the poor peasant is required to pay money, but pays in produce in the end since he has little money. A house-to-house investigation in ten typical villages of Fanyu County revealed that the area of land for which rent in crops is paid by poor peasants exceeded that for which money rent is paid. Of the land rented by rich peasants, only 17 per cent of the rent is paid in grain. In sandy areas, the peasants are almost all paupers. No wonder they pay rent entirely in grain.¹

This investigation has broadly explained that rent in kind has become the predominant form of land rent because of the economic structure of society, the character of the peasants' production and exchange, and the general nature of landlords' economic activities.

Rent in kind is a symbol of the backward productive forces of Chinese society and of China's semi-feudal and semi-colonial comprador economy, and clearly indicates the extreme impoverishment of the Chinese peasants.

The tendency of economic development of society is from rent in kind to money rent. In a few individual areas where rich peasants are engaged in commodity production, there already exists partially capitalist money rent (e.g., data quoted above). But under semi-feudal and semi-colonial system, such capitalist money rent exists only to an insignificant extent. On the other hand, capitalist rent may partially take the form of rent in kind. The social economy of modern China is in an extremely

¹ *Materials on Chinese Rural Economy*, Vol. II, pp. 557-88.

fluid transition period. The appearance of new economic forms and the revival of old forms are constantly interwoven, and furthermore, the economic development in different places is quite uneven. Reflected in rent form, it is extremely complex, transitory and fluid.

CHAPTER III

AMOUNT AND RATE OF LAND RENT

The extent to which Chinese peasants, throughout the centuries, have been exploited by the landlords is described in an oft-quoted passage by Tung Chung-shu, a scholar of the Han Dynasty (206 B.C.-220 A.D.). He wrote: "The impoverished peasant who cultivates the rich man's land surrenders half of his crop; he is in tatters and eats food fit only for dogs."

In the same vein, Su Hsun, a scholar of the Sung Dynasty (960-1279) wrote:

The rich man who owns large estates . . . appropriates half the crop from the tenant. The land is owned by one person, but cultivated by ten. Such being the case, the landlord, accumulating what he has taken from the tenants year after year, becomes rich and influential, while the tenants, eating as much of the crop as is left to them, become poor and go hungry.

The exploitation by the landlord is such that the rent paid by the peasant not only absorbs all his surplus labour but also part, even a large part, of his necessary labour. The predominant form of rent that has prevailed in China, as already mentioned, is rent in kind.

As Marx said:

The latter (rent in kind — *Tr.*) may assume dimensions which seriously imperil reproduction of the conditions of labour, the means of production themselves, rendering the expansion of production more or less impossible and reducing the direct producers to the physical minimum of means of subsistence.¹

The large amount of rent in kind paid by the Chinese peasants makes it impossible for them to do anything but maintain simple reproduction even in a year of record harvest. Very often they cannot do even this.

We have already seen that the cultivator gets only half the harvest while the other half goes to the landlord. This has always been the case in Chinese history. So it remains in modern China, except that conditions vary from place to place, the figure being much higher in some areas and lower in others.

In his *Investigation of Hsingkuo*, Comrade Mao Tse-tung writes:

In First Township (Lingyuanli), Second Township (Yungfenyu) and Fourth Township (Houching), the rent is 50 per cent; in Third Township (Shankeng) it is mostly 60 per cent with the exception of a few districts where it is 50 per cent. The rent is lower in First, Second and Fourth Townships because of frequent crop failures caused by flood and drought. It is higher in Third Township because it is not threatened by flood or drought.

The difference in the amount of rent in various parts of the country may be seen from the following statistics.

¹ Karl Marx, *op. cit.*, Vol. III, pp. 776-77.

compiled from 60 counties of Kiangsi Province (1927):¹

Percentage of rent to total crop yield

| | |
|-------------------|-------------|
| Under 50 per cent | 12 counties |
| 50 per cent | 22 counties |
| 55 per cent | 4 counties |
| 60 per cent | 16 counties |
| 65 per cent | 1 county |
| 70 per cent | 4 counties |
| 80 per cent | 1 county |

These figures show that the situation in the townships of Hsingkuo County as compiled by Comrade Mao Tse-tung epitomizes the situation of all counties in Kiangsi Province, which in turn epitomizes the situation in all provinces of China as at that date. The amount of rent exacted by the landlord is in some cases as high as 80 per cent.

In his *Investigation of Hsingkuo*, Mao Tse-tung points out the effect of the conditions of land on the amount of rent. Where the conditions of land are bad, the peasants pay less rent. The land in First, Second and Fourth Townships, for instance, is low-lying. The surrounding mountains are treeless and covered with loose sand. The sand washed down from the mountains make the riverbed higher than the land. The silting gets worse every year. Once the river banks are broken the land is flooded. Moreover, when there is no rain for some time the land is liable to suffer from drought. Where the conditions of

¹ *China Economic Year Book, 1934, Vol. I, Chapter VII, p. 69.*

land are good, the peasants pay more rent. For instance, the land in Third Township is mostly hilly, high above the river. Though in small allotments, it is not threatened by flood or drought.

Since Chinese economy is generally in conditions of feudal or semi-feudal relations rather than capitalist relations, naturally the method of rent calculation suited to conditions of capitalist relations does not apply. We propose here to use the traditional method used in Chinese rural areas — the method of calculating the rate of rent in kind by referring to the percentage of the amount of rent to crop yield.

The following table shows an example of the rate of rent in kind for land of different qualities.

| Type of land | Yield per <i>mou</i> | Amount of rent | Percentage of rent to yield |
|--------------|----------------------|----------------|-----------------------------|
| Good | 4 piculs | 2.5 piculs | 62.5% |
| Medium | 3 piculs | 1.5 piculs | 50.0% |
| Poor | 2 piculs | 0.5 picul | 25.0% |

This table shows that the amount of rent of good land is higher than that of medium-grade land and that the amount of the rent of medium-grade land is higher than that of poor land. The rate of rent is in direct ratio to the yield.

The difference in the rates of rent charged on the wet land, dry land and hilly, forest land as shown by an investigation made during the winter of 1934 and the spring of 1935, throws further light on this question.

Rent Rates of Different Types of Land¹

| County | Percentage of rent to yield | | | |
|---------------------------------------|-----------------------------|----------|--------------------|-------------|
| | Wet land | Dry land | Hilly, forest land | Swampy land |
| Haicheng County Fukien Province | 68 | 25 | | |
| Minhou County Fukien Province | 50 | 45.5 | 30 | 25 |
| Chenghai County Kwangtung Province | 48.25 | 43.25 | 20 | |
| Tsangwu County Kwangsi Province | 45.4 | 33.6 | 24.33 | 22.33 |
| Lungyu County Chekiang Province | 50 | 28.5 | | |
| Kwangchi County Hupeh Province | 36 | 26 | | |
| Shenhsien County Shensi Province | 60 | 43 | | |
| Tingsien County Hopei Province | 60 | 51 | | |

In political economy there are two kinds of rent: differential rent and absolute rent. Differential rent results either from the differences in the productivity of land (determined by the fertility or location of the land) or from additional investment put into the specific piece of land. Absolute rent comes into being because of the existence of monopoly of private ownership of land. It is paid on every plot of land regardless of its productivity.

¹Based on data given in *A Collection of Articles on Land Rent in China*, pp. 42-44.

It means that the cultivator of the worst piece of land must also pay a definite amount of rent to the landlord.

In a backward agricultural country, semi-colonial and semi-feudal, like China, with its feeble growth of capitalism and the predominant position of feudal landownership and feudal exploitation, although there is a distinction between differential rent and absolute rent, such distinction is more or less rudimentary. The different amounts of rent for different types of land as shown in the table indicate that in general the factor of coercion overshadows the factor of competition. That is to say, rent in China is in essence feudal rather than capitalist, though it contains elements of differential rent.

In marked contrast with the counter-revolutionary Trotskyites, Marxists have always treated the question of rent in association with, and not divorced from, the productive forces, modes of production and economic structure of society as a whole. Marx wrote:

Should labour-power be minute, and the natural conditions of labour scanty, then the surplus-labour is small, but in such a case so are the wants of the producers on the one hand and the relative number of exploiters of surplus-labour on the other, and finally so is the surplus-product, whereby this barely productive surplus-labour is realized for those few exploiting landowners.¹

In the conditions existing in China, agricultural productivity in general is low and the amount of surplus labour small. There is no limit to the landlord's extortion

¹Karl Marx, *op. cit.*, Vol. III, p. 773.

in the matter of rent. However, in areas where agricultural productivity is lowest, the method of cultivation most backward and the natural conditions of labour poorest, that is, in areas where very little or no surplus labour exists, it is impossible for the landlord to squeeze too much from the peasants. Rent in such areas cannot but be restricted to a certain extent. The landlord, although he treats his tenants as beasts of burden, has to give them a chance to survive (even if it is only the barest chance!). Otherwise, the labour power will stop reproduction. In fact, the peasants are not only ground down "to the physical minimum of means of subsistence", but actually even that minimum is not always forthcoming.

What has been described in the figures quoted refers to the relations between the amount and the rate of rent. The following table shows an example of a different situation.

| Type of land | Yield per <i>mou</i> | Amount of rent | Percentage of rent to yield (%) |
|--------------|----------------------|----------------|---------------------------------|
| Superior | 4.0 piculs | 2.0 piculs | 50 |
| Medium | 3.0 piculs | 1.65 piculs | 55 |
| Inferior | 2.0 piculs | 1.2 piculs | 60 |

The table shows that the rent of good land is higher than that of medium land and the rent of medium land is higher than that of poor land. But the rate of rent is in inverse ratio to crop yield — 50 per cent in the case of good land, 55 per cent in the case of medium land and 60 per cent in the case of poor land.

The percentage of fixed rent in kind in various provinces may be seen from the following tables compiled from data published in 1930 by the Statistical Bureau of the Legislative Yuan of the Kuomintang government at Nanking.¹

Table 1 Rent Rate for Wet Land

| | Good (%) | Medium (%) | Poor (%) |
|------------------------------|----------|------------|----------|
| Heilungkiang 10 districts | 22.3 | 20.0 | 28.6 |
| Kirin 21 districts | 33.8 | 34.5 | 35.4 |
| Jehol 2 districts | 45.0 | 47.5 | 51.5 |
| Shantung 8 districts | 48.5 | 51.8 | 55.6 |
| Kiangsu 50 districts | 44.3 | 48.6 | 49.9 |
| Anhwei 4 districts | 34.0 | 40.5 | 48.5 |
| Honan 37 districts | 48.3 | 48.9 | 49.0 |
| Kweichow 11 districts | 51.0 | 51.7 | 54.7 |
| Chekiang 37 districts | 48.2 | 49.2 | 50.6 |

¹ *China Economic Year Book, 1934*, Chapter VII, pp. 63-65.

Table 2 Rent Rate for Dry Land

| | Good (%) | Medium (%) | Poor (%) |
|--------------------------|----------|------------|----------|
| Jehol 2 districts | 28.5 | 48.5 | 50.0 |
| Chahar 12 districts | 38.0 | 38.3 | 44.2 |
| Shansi 52 districts | 40.9 | 41.5 | 42.6 |
| Shantung 74 districts | 49.3 | 49.4 | 50.9 |
| Hupeh 5 districts | 38.3 | 43.2 | 45.8 |
| Kiangsi 14 districts | 41.3 | 42.3 | 46.5 |

What tendency do those figures indicate? They show that the peasant whose lot is the hardest bears the highest rate of rent.

It must be understood that the tenants of the worst pieces of land are all poorest peasants to whom the landlords would not rent out the best land. Thus, the great majority of them are subject to the highest degree of exploitation, although the productive conditions of the land rented to them are the worst, their methods of cultivation the most backward, and they have very little or no surplus labour at all. Taking advantage of their poverty, and their backward methods of cultivation, the landlords, instead of lightening the burdens imposed on them, exploit them with even greater intensity.

We have already seen two aspects of the rent situation in China. In some cases the amount of rent of different

types of land is in direct ratio to the yields; in other cases it is in inverse ratio. These two diverse conditions exist side by side and vary from province to province. Even in the same province conditions in one county or district are different from conditions in another, and the rents of different types of land do not exactly fit in with any of the situations described. The productivity of the land and the living conditions of the peasants in various parts of the country necessarily have a bearing on the amount and rate of rent exacted by the landlords. The common feature, however, is that the appropriation by the landlords is in the main coercive. The predominant situation is that the rate of rent is in inverse ratio to the quality of land.

As disclosed by the figures already quoted, the rate of rent is reckoned on the basis of the amount of rent in kind — a method that still prevails in extensive areas of China (i.e., in Kuomintang-controlled areas before liberation — *Ed.*). This shows that rent in China is feudal or semi-feudal in nature. On the other hand, money rent has also appeared in certain areas. When we come to the question of money rent, we calculate its rate in terms of the percentage of the amount of rent to the price of land. Because capitalism has grown to a certain extent in China's semi-feudal and semi-colonial economy, in certain areas capitalist rent operates side by side with feudal or semi-feudal rent. Nevertheless, the rate of money rent cannot be calculated in terms of the percentage of the amount of rent to the investments put on land as is the practice under conditions of capitalist relations. Actually, the method of calculating the rate of money rent in terms of the percentage of the amount of rent to the price of land confirms that money rent in China has nothing in

common with capitalist rent; rather does it partake of the character of feudal or semi-feudal exploitation, no less barbarous and cruel than rent in kind.

We have already shown that the higher the percentage of the rent of poor land to yield, the higher its percentage to the price of land. That is to say, where rent in kind of the medium and poor land occupies a larger percentage of the yield than that of good land, money rent also occupies a larger percentage of the price of land. In cases, however, where rent in kind of the medium and poor land occupies a smaller percentage of the yield than that of good land, money rent may still occupy a larger percentage of the price of land. This is illustrated by the figures given by Chang Hsin-yi in his investigation of the irrigated land in Shansi Province.¹

| Type of land | Percentage of rent in kind to yield (%) | Percentage of money rent to price of land (%) |
|--------------|---|---|
| Good | 41.2 | 13.3 |
| Medium | 39.7 | 15.8 |
| Poor | 40.3 | 17.2 |

The table shows that although the rent in kind of the medium and poor land occupies a smaller percentage of the yield than that of good land, their money rent takes up a heavier percentage of the price of land. That is to say, the poorer the quality of the land, the greater the rate of money rent. The comparison shows that the rent in kind of poor land takes a larger percentage of the yield than that of medium-grade land, but a smaller

¹ *Materials on Chinese Rural Economy*, Vol. II, p. 251.

percentage than that of good land. From the fact that the lower the percentage of the rent in kind of medium-grade land to the yield as compared with good land, the higher the percentage of its money rent to the price of land, it is not difficult to infer that even if the rent in kind of poor land is smaller than that of medium-grade land, its money rent may still occupy a larger percentage of the price of land.

Data published by the Legislative Yuan of the Kuomintang government in 1930 show the average rate of money rent of the wet land in 20 provinces:¹

| Type of land | Percentage of money rent to price of land (%) |
|--------------|---|
| Good | 10.3 |
| Medium | 11.3 |
| Poor | 12.0 |

Also, the average rate of money rent of the dry land in 21 provinces:²

| Type of land | Percentage of money rent to price of land (%) |
|--------------|---|
| Good | 10.3 |
| Medium | 11.0 |
| Poor | 11.5 |

¹ *China Economic Year Book, 1934*, Chapter VII, pp. 63-66.

² *Ibid.*

The rate of money rent in various provinces throws further light on the fact that the poorer the plots of land, the higher the rate of rent. Here lies the keynote of the whole question of land rent. This brings into high relief the factor of coercion in connection with exploitation through land rent in China, based on feudal land-ownership.

A bourgeois agronomist writes:

A comparison of the incomes received by landlords in various places shows that the rent rate is in inverse ratio to the price of land. In other words, the poorer the land, the higher the percentage of rent to the price of land. This is because there are many tenant cultivators who compete to rent the poor land and the landlord takes advantage of this situation to exact a higher rent from them. Another reason is that the landlord is prone to calculate the price of poor land in terms of that of good land, and consequently, the rent rate of poor land constitutes a higher percentage of the price of land than that of good land.¹

Here then is still another illustration of the inhuman manner in which the landlords exploit the mass of the poverty-stricken peasants.

It is easy to recognize the amount of exploitation involved in rent in kind, the rate of which is calculated in terms of the actual yield of land. On the other hand, the amount of exploitation involved in money rent is

¹Chiao Chi-ming, "A Comparison of the Renting System in Kunshan and Nantung, Kiangsu Province, and Suhsien, Anhwei Province", quoted from *Materials on Chinese Rural Economy*, pp. 96-97.

not easy to detect, because it is calculated not on the basis of output but in terms of its percentage to the price of land. Even so, from comparisons between rent in kind and rent in money we can ascertain the amount of output appropriated by the landlords in the form of money rent. It is roughly the same as the produce appropriated in the form of rent in kind.

In some areas, rent in kind operates side by side with money rent, and the rates do not seem to be exactly the same. In eight villages of western Chekiang, for instance, money rent constitutes 8.8 per cent of the price of land in the case of good land, 9.1 per cent in the case of medium-grade land and 11.9 per cent in the case of poor land. Converting the crop rent paid by peasants in 12 villages in western Chekiang into money rent according to the then current price of grain, money rent constitutes 9.6 per cent of the price of land in the case of good land, 11.1 per cent in the case of medium, and 14.1 per cent in the case of poor land.¹ Both examples show that the rent rate of poor land is higher than that of medium-grade land, which, in turn, is higher than that of good land, and that the rate of rent in kind is higher than that of money rent. The situation is roughly the same in other areas.

But we must also take into account the fact that the peasants pay their money rent either after or before the harvest. An economist writes:

The economic conditions of tenant-peasants are generally bad. After they have harvested their crops they must immediately pay their rent to the landlords.

¹ *Materials on Chinese Rural Economy*, Vol. II, pp. 528-32.

But because agricultural products glut the market at this time, their price usually drops sharply. Since they cannot defer their payment of rent to the landlords, they must sell their grain no matter how low the price is, and so they usually suffer great losses.¹

It means that the tenant-peasants, besides being exploited through money rent, are exploited through merchant capital as well.

He continues:

In the case of paying fixed money rent in advance, the poverty-stricken peasants must pay it before harvest time, and they have no way out but to borrow. Those who are compelled to do so must pay exorbitant rates of interest. Their losses on this account must be considerable.²

So the tenant-peasants are exploited not only by money rent but by usury for a long period. In any case those who pay money rent have to pay more than the rent in its pure form. The root cause lies, of course, in the semi-colonial and semi-feudal social system.

An investigation made by the Sun Yat-sen Cultural and Educational Institute states:

Where money rent is equal to 8 per cent of the price of land, rent in kind is less than 35 per cent of the yield in one-third of the land, over 45 per cent in one half, and over 51 per cent in one-third. In areas where money rent constitutes less than 6 per cent of the price of land, rent in kind constitutes less than 32

¹ *A Collection of Articles on Land Rent in China*, p. 69.

² *Ibid.*

per cent of the yield in one-third of the land, over 40 per cent in one half, and over 49 in one-third.¹

Money rent in China generally constitutes over 10 per cent of the price of land. In some places it is as high as 20 per cent or more. (The *China Economic Year Book*, 1934 gives as examples the good wet land in two districts of Shensi Province and 11 districts in Szechuan Province, the good, medium and poor dry land in six districts in Heilungkiang Province and two districts in Yunnan Province.) Thus, it is shown that the current average rate of money rent is practically as high as that of rent in kind.

As a bourgeois writer remarks: "The evils of money rent are as great, if not greater, than those of rent in kind."²

We have sufficient material to prove that the amount and rate of money rent are essentially the same as that of rent in kind. "In its pure form, this rent, like labour rent and rent in kind, represents no excess over profit."³ The Trotskyites, however, seeing that money rent exists in a few areas of China, kick up a lot of dust about the existence of pure capitalist rent in China and claim that it is the predominant form of rent throughout the country. They are just talking nonsense.

Wagner in his book *Die Chinesische Landwirtschaft*, in connection with the investigation of the income of a tenant in Shantung Province who cultivated 20 *mou* of land, writes:

¹ *Ibid.*, p. 6.

² *Ibid.*, p. 5.

³ Karl Marx, *op. cit.*, Vol. III, p. 778.

A tenant-peasant in Prussia paid the landlord a rent amounting to 3.5-3.7 per cent of the price of the land which was 600-5,000 marks per hectare. But the Chinese tenant paid his crop rent and money rent amounting to 34.6 taels of silver for cultivating 20 *mou* of land. After paying the land tax, the landlord still got 29.6 taels. Based on the local price of land which was 8 taels per *mou*, the rate of rent was: $\frac{29.60}{160} = 18.5\%$.¹

This means that, about 1911, the rent paid by the tenant-peasant in Shantung Province was five times as great as that paid by a tenant-peasant in Prussia.

If the land tax was included, then the rate of rent was: $\frac{34.60}{160} = 21.5\%$. That is to say, the rent paid by the peasant in Shantung was nearly six times as much as that paid by his counterpart in Prussia. This comparison shows the harsh exploitation of the Chinese peasants through feudal rent.

In China there also exists a system of paying deposit, plus regular rent. This system "prevails in central, eastern and southwestern China where tenants constitute a large portion of the local population, and especially in provinces where tenant farming is widespread, where communications are poor, industry is backward and the peasants have no other way of earning a living... In Paoshan County, Kiangsu Province, for instance, economic conditions vary from district to district. In Tachang, Yanghang, Liuhan and Kuangfu Townships in the southwestern part of the county which is nearer to

¹W. Wagner, *Die Chinesische Landwirtschaft*, Chinese translation, Commercial Press, Shanghai, Vol. II, p. 728.

Shanghai, the peasants do not have to rely solely on land to earn a living, and so the system of paying deposit does not prevail there. However, in Yuehpu, Shengchiao and Lotien Townships in its northeastern part, which adjoins either the barren sandy bank or the hinterland, land is the sole means of subsistence for the peasants, and because of this the deposit system is more common there than in the southwestern part".¹ This shows that rent deposit is nothing but a more barbarous and coercive form of China's feudal land rent.

The amount of deposit varies from place to place. "In Kiangsu Province, there are five counties — Changshu, Kiangyin, Liyang, Tantu and Chingkiang — where it exceeds the amount of rent. In Chingkiang and Tantu it is more than twice as much. In five other counties — Kaoshun, Haimen, Kunshan, Fenghsien and Chungming — it is equal to that of rent. In the other counties, deposit is less than rent (in Chintan and Paoying it is about 20 per cent of the rent)."²

The excess of money deposit over rent itself demonstrates the iniquity of feudal exploitation. The general rule is: the greater the amount of deposit, the less the rent, and vice versa. "The amount of deposit is in inverse ratio to the amount of rent."³

In any case, the system represents aggravated exploitation. To pay the deposit to the landlord, just as in the case where he makes advanced payment of rent, the

¹ *Materials on Chinese Rural Economy*, Vol. II, p. 505.

² Cf. *A Study of Agricultural Economy in China*.

³ Chen Cheng-mo, *Rent Situation in Various Provinces of China*, p. 19.

poor peasant is compelled to place himself at the mercy of usurers, even before starting production. And this kind of usury loans are not invested in productive activities. Actually they are a brake on reproduction. Even those peasants who are slightly better off are also compelled to use a large sum of the money set aside for productive purposes to pay deposits. The result is that they find it impossible to carry on reproduction on an extended scale, or even ordinary reproduction is curbed.

According to an investigation made by the Kwangtung Peasants' Association, in Kwangtung Province alone, the money which is diverted to the payment of deposits amounts to tens of millions of yuan a year. In seven counties of eastern Kwangsi, the average deposit for one *mou* of medium land harvesting one picul of rice is 58.3 yuan. In Yulin County alone, the money diverted from the productive sphere for paying deposits ranges from 1,800,000 to 3,000,000 yuan a year. . . . It reappears in the rural areas in the form of usurer's capital.¹ (It also reappears in the form of merchant capital — *Author.*)

It is, therefore, not difficult to understand why the development of money relations and the growing of cash crops contribute to the growth of the practice of deposit.

An investigation made by the University of Nanking shows the growth of rent-deposit in Kunshan and Nantung Counties in Kiangsu Province over a twenty-year period at the beginning of the current century:

¹ *China Economic Year Book, 1934*, Chapter VII, p. 90.

| County | Year | Of farms rented with deposit (%) | Of farms rented without deposit (%) |
|---------|------|--|---|
| Kunshan | 1905 | 25.5 | 74.5 |
| | 1914 | 40.9 | 59.1 |
| | 1924 | 61.8 | 38.2 |
| Nantung | 1905 | 72.9 | 27.1 |
| | 1914 | 76.7 | 23.3 |
| | 1924 | 88.1 | 11.9 |

With the growth of money relations, the landlords turned their attention to demanding a greater deposit, so that they could lend the money at usurious rates to peasants, hard-pressed before harvest time.

Before the anti-Japanese war, in addition to Kwangtung, the practice of deposits prevailed in Anhwei and Szechuan, for the same purpose, diverting the deposit money to usury. As a result of the growth of cash crops, the practice turned into a millstone around the necks of the peasants in the form of merchant capital.

Owing to the headway made in the Chinese cotton industry during the First World War, cotton growers in Nantung County, Kiangsu Province, for instance, made a little more profit between 1914 and 1924. A great number of landlords consequently demanded extra rentals or cancelled existing tenancy agreements and re-rented their lands to those who they thought could be made to pay increased deposit. For every *mou* they rented, they demanded ten yuan as deposit,

and when they accumulated a sum of money they used it to buy cotton in the countryside. When the peasants in Nantung County went in for cotton growing, their land rent was in most cases converted into money rent. The landlords paid the cotton growers with the money squeezed from the peasants and then took the money back again in the form of land rent.¹

By paying the deposit money, the tenant ties himself to the landlord. In areas where this sharp practice exists, the landlord will only take as his serfs those who agree to pay the required deposit. Those who cannot afford to pay are driven off the land by the landlord.

Side by side with rent in kind, which is the predominant form of rent, and money rent, which is a less important form of rent of late origin, labour rent exists in many parts of China. (What we are dealing with here does not refer to minority nationality or backward areas where labour rent predominates.) In some areas labour rent is a regular form of rent.

In Paoshan County, Kiangsu Province, for instance, there exists a kind of corvée under which for each *mou* the tenant is permitted, under the annual tenancy agreement, to cultivate rent free, he must cultivate the land of the landlord or do other odd jobs for periods ranging from 30 to 60 days. He cannot start cultivating his own land before he has finished the landlord's plots, or he may work on the land he rented from the landlord in early morning or in the evening. Any time the landlord's family needs help the tenant gives his service free.²

¹ *Materials on Chinese Rural Economy*, Vol. II, p. 513.

² *China Economic Year Book, 1934*, Chapter VII, p. 11.

The existence of such a backward form of rent as labour rent in the neighbourhood of a large industrial and commercial centre like Shanghai is a reflection of the extreme unevenness of the economic development and the predominance and strength of feudal relations in Chinese rural economy. In most cases, labour rent is a kind of additional rent on top of the regular rent. The tenant works for the landlord without remuneration for a number of days a year or as long as the landlord demands. The latter practice is more common.¹

The tenant must offer free service to the landlord for whatever jobs he can do best — carrying sedan-chairs, driving carts or cooking meals. The landlord treats him just like his own domestic servant.² (This refers to labour rent in Honan Province.)

Similar cases can be cited from all provinces. The following is a typical one.

In Linching County, Shantung Province, the poorest small tenant who has nothing but his labour power, depending on his landlord for the supply of fertilizer and seed, must work for the landlord during the slack farming seasons, and his wife or another woman in his family, too, must help. The man drives a cart to transport goods for the landlord and the woman cooks meals, washes clothes, sweeps floors, looks after children and even feeds the cattle. The landlord allows them three meals but pays them nothing. If the woman is unable or unwilling to work in the landlord's home, the tenant must pay him one or two yuan a year in

¹ Cf. Chen Cheng-mo, *op. cit.*

² *China Economic Year Book, 1934*, Chapter VII, p. 10.

lieu of her service. If the landlord still insists, come she must, or find someone to work in her place. The principal condition set by a landlord for renting land is that the tenant must agree to let his wife or another woman in his family do household work in the landlord's home. Besides, each year, the tenant in his own home must weave a certain length of cloth and spin a certain weight of cotton yarn for the landlord.¹

Labour rent is not the only form of additional rent.

The practice of "inviting" the landlord to a feast is most common. In Kiangsi Province the tenant must provide a sumptuous feast for his landlord when the tenancy is agreed upon. In Chunghsien County, Szechuan Province, when the landlord or his agent comes to collect the rent, usually with a retinue of four or five, the tenant must treat them all with great ceremony. In Yunghsien, Kwangsi Province, the tenant must entertain his landlord, when he comes to collect crop rent, with wine and a chicken dinner. In Kueiping County, the landlord's agent can demand any food he likes when he visits the tenant's home.²

Also, the tenant must pay tribute to the landlord in cash or in kind.

The practice is hard cash in Kiangsu, an extra amount of rice in Chekiang, chickens, firewood, and a New Year's present in Kiangsi, beans in Hupeh, hay in Hunan, tips to the landlord's steward for cigarettes and straw sandals in Chunghsien County, Szechuan

¹ *Ibid.*

² *A Statistical Analysis of the Renting System in China*, pp. 90-92.

Province. In other provinces the tenant also surrenders subsidiary farm produce such as poultry, fish, etc., to the landlord.¹

Even an official publication, supporting landlordism, could not but admit that "the poor tenant cannot afford the expenses for such feasting" and that "these extras added still more hardships to the tenant-peasant".²

Taking into account the existence of the deposit system and the multitude of additional payments, it is obviously underestimating the rate of rent merely to count the amount of specified rent paid by the tenant. In a township in Kaoyao County, Kwangtung Province, the landlord originally appropriated 57.6 per cent of the crop. Subsequently, "for the purpose of flood prevention, the tenants had to make yearly contributions to a fund for strengthening the embankments. The amount of appropriation rose from 57.6 per cent of the crops to 63.6 per cent".³ If the deposit money and various kinds of additional rents are taken into account, it is clear that the tenant pays much more than the ordinary rent. The coercion and the savageness in connection with exploitation through feudal and semi-feudal rent is again thrown into bold relief.

¹ *Ibid.*

² *Ibid.*

³ *Materials on Chinese Rural Economy*, Vol. II, p. 559.

CHAPTER IV

CHARACTERISTIC FEATURES IN THE DEVELOPMENT OF LAND RENT IN RECENT TIMES

The history of land rent in China since the Opium War of 1840 is, on the one hand, a history of the ruthless exploitation of the peasants by the landlords, comprador-capitalists and imperialists, and on the other, a history of the peasants' struggle for emancipation. In areas controlled by imperialism, the compradors and landlords, land rent kept on increasing. This was true during the Ching Dynasty (1644-1911), the Northern warlord period and under the Kuomintang regime. Only in revolutionary areas such as the territory of the Taiping Heavenly Kingdom (1851-64),¹ in provinces which saw the growth of peasant movements during the revolutionary period of 1924-27, in areas where the Agrarian Revolution was carried out during the period of the ten-year civil war (1927-37), and in the Liberated Areas during the War of Resistance Against Japan (1937-45) were the peasants relieved or completely freed from the oppression of feudal rent.

The following tables show the rent situation from the closing period of the Ching Dynasty to that of the Northern warlord period.²

¹ Founded as the result of the great peasant revolutionary war waged against the feudal rule of the Ching Dynasty in the middle of the 19th century.

² Chiao Chi-ming, *op. cit.*, p. 90.

Nantung County in Kiangsu Province

| Amount of rent per <i>mou</i> (in <i>yuan</i>) | | | | Rise in rent (1905=100) | | |
|---|-----------|-------------|-----------|-------------------------|-------------|-----------|
| | Good land | Medium land | Poor land | Good land | Medium land | Poor land |
| 1905 | 1.79 | 1.31 | 0.88 | 100 | 100 | 100 |
| 1914 | 2.63 | 2.06 | 1.53 | 147 | 157 | 174 |
| 1924 | 4.14 | 3.14 | 2.24 | 229 | 240 | 255 |

Suhsien County in Anhwei Province

| Amount of rent per <i>mou</i> (in <i>yuan</i>) | | | | Rise in rent (1905=100) | | |
|---|-----------|-------------|-----------|-------------------------|-------------|-----------|
| | Good land | Medium land | Poor land | Good land | Medium land | Poor land |
| 1905 | 1.64 | 0.83 | 0.47 | 100 | 100 | 100 |
| 1914 | 1.33 | 0.80 | 0.30 | 81 | 96 | 64 |
| 1924 | 2.43 | 1.40 | 0.75 | 148 | 169 | 160 |

The two counties mentioned above were typical. In general, in areas where industry and commerce and money relations were more developed and the old order still prevailed, rent increased more rapidly and sharply. (In Suhsien the rent was lower in 1914 because there was a crop failure caused by flood and drought.)

Investigations made by the Agricultural Faculty of the Southeastern University in 1922 and by the Kiangsu

Peasants' Association in 1927 showed that the amount of crop rent per *mou* in nine counties, including Kiangning and Wusih in Kiangsu Province, was, on the average, 0.921 picul in 1922 and 1.265 piculs in 1927. The amount of "converted rent", i.e., crop rent commuted into money, and the amount of money rent in 27 counties including Nanking and Kiangning were, on the average, 3.5 yuan per *mou* in 1922 and 7.86 yuan in 1927.¹

Let us now look at the material on the rent situation after the Kuomintang came to power.

According to an investigation made by Chen Han-sheng in 1934: "Generally speaking, the rent in Kwangtung Province increased by 20 per cent in five years. The *Yearly Review of Taishan County* (1933) recorded that the rent of good land per *mou* increased from 20 yuan to 30 yuan — an increase of 50 per cent — in five years."²

Chen Han-sheng also published in the *China Economic Year Book, 1934* some data on the rent situation in certain other provinces which prevailed from the closing days of the Ching Dynasty to the assumption of power by the Kuomintang in 1927. He gave the following examples:

1. Nearly all big landlords in Paoshan County, Kiangsu Province, went into business in Shanghai, Hunan and Hupeh. They wanted ready cash to invest in the commodity markets, so they increased the rent-rate to get it. The average increase over ten years was 50 per cent. In cash-crop areas like Tachang, Yanghang and other townships in the neighbourhood of Shanghai,

¹ *China Economic Year Book, 1934*, Chapter VII, pp. 72-74.

² *Materials on Chinese Rural Economy*, Vol. II, p. 565.

it nearly doubled and in some instances even trebled in ten years. The large sums of money which flowed into the pockets of the landlords through the increase in rent-rate were diverted from the sphere of agriculture, and the money was turned into merchant and usurer's capital. Loans were made to the peasants for the specific purpose of inducing them to grow cash crops for the landlord-usurers. Recently Shanghai merchants entered into contracts with the peasants near Yuehpu, under which the peasants undertook to grow tomatoes, potatoes, onions and peaches and the merchants undertook to make bulk purchase of these products. Similar cases occurred in Lotien, Tachang and Yanghang Townships. Many cases have been reported of the peasants undertaking to grow cotton of American strains for the merchants and the merchants making advance purchase of farm produce. Those who were dealing in this line of business were, in nine cases out of ten, the local landlords. In Pao-shan County, 60-70 per cent of the farm land was sown to cotton. Recently, owing to the reduction of profit in cotton growing, the peasants turned to horticulture. Orchards, vegetable and flower gardens were established in large numbers and the rent of land jumped up. Local people said that the rate of land rent for growing vegetables, flowers and fruit trees was 50 to 150 per cent more than that of ordinary land. (Based on material collected in 1932-33.)

2. In Lichiatsui Village near Tientsin, as far back as 1809, 40 peasants leased in perpetuity 70 *mou* of sandy land of temple property; the rent was 1 yuan per *mou*. Subsequently when the descendants of the peasants dug water wells and as a result got better

harvest, the landlord who had bought the land ordered the peasants to grow vegetables on the land, and increased the rent to 3 yuan per *mou* (about 1907). In 1913, the rent rose to 6 yuan per *mou*. In 1927 the landlord divided each *mou* into 56 small plots charging a rent of 0.13 yuan for each. Thus, the aggregate rent rose from 6 to 7.28 yuan. In 1928 the landlord wanted to raise the rent still further. The tenants refused to pay and brought the case before the magistrate. The magistrate gave judgement in favour of the increase. The landlord then compelled the tenants to pay three cents more for each small plot. By then, the rent had risen to 8.96 yuan per *mou*. (Based on investigation made in 1929.)

3. In Shansi Province, the rent of flat dry land per *mou* rose from 1 or 2 yuan to 3 or 4 yuan. The landlords asked the peasants to grow American cotton. Subsequently the acreage sown to cotton in the province increased enormously. According to a report of the provincial government, the cotton area more than doubled from 1923 to 1926. The landlord's suggestion was a pretext for demanding higher rents. The rent of wet land which could be sown to American cotton went as high as 10 yuan per *mou*.

4. In Tsechung County, Szechuan Province, land rent in the 1930s went up alongside the rise in commodity prices. For a plot yielding one picul of rice the rent increased from 40-50 strings of cash¹ to as high as 140, 80 being the lowest. The peasants knew all too well that the yield of the land was not enough

¹ 1 string of cash = 1,000 cash (a small copper coin with a square hole in the centre).

to pay the rent. They had no alternative but to submit to the landlord's demand. (Based on investigation made in 1932.)

The foregoing shows that land rent in China has the following characteristics:

1. Landlordism is interwoven with comprador economy. (Under the Kuomintang rule the mainstay of China's merchant capital is comprador capital. Many kinds of cash crops such as cotton, tobacco and soya beans are grown for export.) Monopoly of land is intertwined with monopoly of market. Many landlords who monopolize land are also comprador-capitalists controlling commodity markets. For these reasons, the producers, especially in cash crop growing areas, suffer from double oppression — the primitive feudal oppression, as appendages to the land, and the semi-colonial oppression, as appendages to the speculator's market controlled by compradors.

2. This combined oppression is not weakened as a result of the economic development of society; on the contrary the screw is tightened because of it. Any increase in output, through improved productivity effected by the effort of the producers themselves and having nothing to do with the landlord, is appropriated by the landlord.

3. The principal aspect of this combined oppression is the steady increase in rent; another aspect is the joint pressure of merchant and usurer's capital on the peasants to grow certain types of crops or to sell their produce in bulk to the usurer-merchants.

4. The landlords have a definite interest in making the tenant-peasants grow certain types of cash crops so

that they can demand a higher rent from them. But as the landlords' pursuit for higher rent is against the interest of the peasants, it hampers the growth of production. Moreover, this device of the landlords presupposes the division of the land into small allotments with the peasants scattered here and there, each cultivating his small piece. This land division is also detrimental to the development of production.

5. The foregoing data show that, after the Kuomintang came into power in 1927, gains won by the peasants' struggle during the revolutionary period of 1924-27 turned to naught. Rents rose higher and higher, thus forming a marked contrast with the revolutionary base areas where the Agrarian Revolution took place in 1927-37. The sharp increase of rent in Kuomintang-controlled areas reflects the tightened grip of landlordism and comprador economy on the peasant masses.

CHAPTER V

INTENSIFIED EXPLOITATION THROUGH LAND RENT IN THE KUOMINTANG-CONTROLLED AREAS DURING THE WAR PERIOD

During the anti-Japanese war, because of the disruption of foreign trade, loss of big industrial and commercial cities, urgent need for food, and speculative activities, income from land rent became more and more a source of wealth for the exploiters in the Kuomintang-controlled areas, who used it as capital for large-scale speculation in land. Here is a description by the *Hsinhua Daily* dated February 2, 1943:

Idle capital flooded the countryside. Bureaucrat-commercial capital was used for speculation in land. According to an investigation in the vicinity of Cheng-tu, a certain piece of land changed hands eight times within one month. The speculators often let the land lie idle as this did not prevent them from gambling with it.

Descriptions of the rural conditions in the Kuomintang-controlled areas by other newspapers and publications disclosed that they were the direct opposite of those in the Liberated Areas where rent reduction was carried out. These descriptions included expressions such as:

"Land became more and more concentrated in fewer hands."

"Many tenant-peasants were driven off the land by their landlords. At the same time, many peasants were

removed from land requisitioned by the state (that is, the Kuomintang landlord-comprador government — *Chen Po-ta*.)”

“The war areas were extended and the population in the rear increased.” As a result, “Less land was available while the number of tenant-peasants increased”. In other words, there were more and more landless people.

“The peasants seek land, while the landlords take advantage of that fact to raise deposit and produce-rent.”

In Shihyang Township, Huayang County, Szechuan Province, the situation was thus described:

In order to live, the peasants must have at least one thatched hut, and rent a piece of land to farm — these are their two minimum demands. But it is hard to rent a hut and land is scarce — hence competition. . . . Because land is in great demand, it is rented at high rates which keep increasing year by year. The tenants have no alternative but to face their misfortunes without a murmur, and feel grateful that the landlords allow them to continue their tenancy.¹

Thus, the difficulty of renting land resulted in competition among the peasants and this competition provided an opportunity for the landlords to carry out still more ruthless exploitation. “At every change of land-ownership, the tenancy changed, and the tenants again incurred all sorts of expenses, and additional burdens in rent and deposit.”² The land speculation carried out

¹These descriptions were taken from articles contributed to *Ta Kung Pao*, Chungking, July 2, 1942, *Kuo Min Kung Pao*, October 30, 1943, and *Szechuan Economic Quarterly*, Vol. I, No. 4.

²“Daughters and Sons of the Great Earth”, *Hsinhua Daily*, Chungking, February 2, 1943.

by the landlords, compradors and officials brought about rapid changes in landownership, and caused increasing hardships to the peasants.

The following data show the changes in the amount of land rent per *mou* in Szechuan, Sikang, Kwangsi and Kwangtung Provinces from 1937 to 1941:¹

(Rent at so many pecks per *mou*)

| Province | Wet land | | | Dry land on plain | | | Dry land on hillsides | | |
|-----------|----------|------|------|-------------------|------|------|-----------------------|------|------|
| | 1937 | 1939 | 1941 | 1937 | 1939 | 1941 | 1937 | 1939 | 1941 |
| Szechuan | 22.2 | 22.6 | 23.8 | 15.4 | 16.1 | 16.7 | 9.7 | 10.1 | 10.3 |
| Sikang | 10.6 | 13.4 | 14.3 | 5.5 | 6.6 | 8.1 | 3.2 | 3.2 | 3.7 |
| Kwangsi | 12.1 | 13.0 | 14.6 | 7.7 | 8.5 | 10.3 | 6.5 | 7.7 | 7.4 |
| Kwangtung | 14.8 | 16.0 | 17.3 | 10.9 | 11.6 | 11.8 | 4.9 | 5.0 | 5.7 |

Taking land rent in 1937 as 100, we have the following figures:

| Province | Wet land | | Dry land on plain | | Dry land on hillsides | |
|-----------|----------|-------|-------------------|-------|-----------------------|-------|
| | 1939 | 1941 | 1939 | 1941 | 1939 | 1941 |
| Szechuan | 101.8 | 107.2 | 104.5 | 108.4 | 104.1 | 106.2 |
| Sikang | 126.4 | 134.9 | 120.0 | 147.2 | 100.0 | 115.6 |
| Kwangsi | 107.4 | 120.6 | 110.3 | 133.7 | 118.4 | 113.8 |
| Kwangtung | 108.1 | 117.0 | 106.4 | 108.2 | 102.0 | 116.0 |

¹ Data taken from *Szechuan Economic Quarterly*, Vol. I, No. 4, p. 136.

Conditions in the different provinces were not the same, and rent increases also differed. In Szechuan, as the above table shows, the percentage increase was lower than the other provinces but that was because the amount of rent in Szechuan had always been higher than in any other province. Taking the year 1937 for example, rent of wet land in Szechuan was 208 per cent of that in Sikang, 183 per cent of that in Kwangsi and 150 per cent of that in Kwangtung; rent of land on the plain in Szechuan was 280 per cent of that in Sikang, 200 per cent of that in Kwangsi and 141 per cent of that in Kwangtung; rent of land on hillsides in Szechuan was 303 per cent of that in Sikang, 149 per cent of that in Kwangsi and 198 per cent of that in Kwangtung.

The figures show that although rent in Sikang, Kwangsi and Kwangtung increased rapidly, the rent in these three provinces up to 1941 was still far below the rent in Szechuan before the War of Resistance Against Japan. Generally speaking, rents on dry land on the plain rose more rapidly than those on wet land. In other words, the poorer the land, the faster the increase. And in provinces which had been most backward (e.g., Sikang), the rent on wet land and land on plain increased most quickly. These two points once more prove that, during the war period, the further down the economic ladder and the more backward the peasants' farming, the worse they suffered from exploitation in the form of rent.

After 1941, the rate of increase in land rent became still greater than before 1941. In one of the counties in Szechuan Province, the index numbers for the increase in rent for 27 tenant households were as follows:

(Taking rent in 1938 as 100)

| 1939 | 1940 | 1941 | 1942 | 1943 | 1944 |
|-------|-------|-------|-------|-------|-------|
| 106.8 | 106.8 | 120.4 | 127.3 | 165.9 | 181.4 |

The amount of rent fixed was calculated on the basis of potential crop yield. But year after year the actual yield was lower than the potential fixed beforehand. Consequently, the rate of rent actually paid was higher than it should be. A comparison between the amount of rent to be paid in kind, fixed beforehand, and the actual amount paid in kind by the same 27 tenant households shows the difference in the average rate of land rent (percentage of rent to the crop yield) as follows:

| Year | Rate of rent fixed beforehand | Rate of rent actually paid |
|------|-------------------------------|----------------------------|
| 1938 | 44.0 | 48.0 |
| 1939 | 47.0 | 48.0 |
| 1940 | 47.0 | 52.0 |
| 1941 | 53.0 | 55.0 |
| 1942 | 56.0 | 59.0 |
| 1943 | 73.0 | 73.0 |
| 1944 | 79.8 | 94.0 |

The above data are taken from an article published in the *Hsinhua Daily* dated June 2, 1945. The author of this article wrote the following note:

From 1937 to 1939, in eight or nine cases out of ten, the crop yield was shared equally between the landlord and the tenant. Occasionally a "generous" land-

lord would give one or two piculs to the tenant as a "reward for his labour". In 1940 this kind of share-rent was changed into fixed amount of rent, and by 1941 there was no more share-rent. By 1944 some tenants had to turn over the whole crop to the landlord, leaving nothing for themselves.¹

As has been stated earlier, because of the different economic conditions and different conditions in land in different places, the rate of land rent varied. An investigation undertaken in July 1944, into Pishan County, Szechuan Province, shows the different rates paid because of different land conditions in the four outlying townships of the county:

| | East | South | West | North |
|-------------------------------------|------|-------|-------|-------|
| No. of households investigated | 25 | 55 | 24 | 18 |
| Percentage of highest rent to yield | 90.0 | 120.0 | 150.0 | 98.5 |
| Percentage of lowest rent to yield | 33.0 | 20.0 | 30.0 | 32.0 |
| Prevalent rate (to yield) | 71.4 | 60.0 | 71.5 | 67.9 |
| Average | 66.4 | 60.2 | 74.5 | 68.2 |

Where the rent was lowest it was obvious that the land was poor and its productivity low. "As to the highest rent," the report says, "it often exceeded the amount of yield, being as much as 150 per cent in the

¹Kan Ying, "Observations from Investigation and Study", *Hsinhua Daily*, June 2, 1945.

western township and 120 per cent in the southern township. After giving up the whole crop yield, the tenants had to make up the amount from subsidiary production."¹

To understand the increase in the rate of rent, it is not sufficient to see only the increase in rent proper. The war-time rent in the Kuomintang-controlled areas kept rising year after year, the increase taking many forms. The figures given above show the increase in rent proper. Actually they do not include the increases that took other forms.

In Szechuan the system of deposit played a special part in the war-time rent increase. One of the methods used by the landlords was to assert that the original deposit had lost much of its value owing to currency depreciation. Another method was to increase the amount of deposit. A newspaper reporter wrote:

This deposit money paid to the landlord is the very life of the peasants. To save the money represented by it, they have sweated all their life, or even for generations. Without deposit money they cannot rent land from the landlord. Since the anti-Japanese war began, the inflation has so reduced the value of money that substantial sums have become worthless paper. The landlords robbed the peasants by insisting that the deposits they had paid were of lessened value and, on the pretext that "the currency is not stable", call upon their tenants to make additional deposit.²

¹ Tung Jun-chih, "Rural Economic Conditions in the Outlying Townships of Pishan County", *Szechuan Economic Quarterly*, Vol. II, No. 1.

² From an article by Li Yi-feng, in the *New Szechuan Daily*, April 27, 1944.

To declare that the value of the original deposit had depreciated was the same as stealing the fruit of the peasants' toil for generations; increase of deposit meant sucking the blood of these peasants and of their children. For example, for renting a plot of land which could yield one picul of rice, the tenant had to pay before harvest a deposit of 2,000 yuan. At this rate renting a plot yielding 30 piculs would require the payment of a deposit of 60,000 yuan. This 60,000 yuan the landlord loaned out at interest of 10 per cent per month at least, getting 6,000 yuan, the equivalent of one picul of unhusked rice at the 1945 price. Thus, the interest on the 60,000 yuan deposit was equal to 12 piculs of unhusked rice a year. The landlord, besides getting rent for the land which could yield 30 piculs, received an additional 12 piculs of unhusked rice. According to this method of increasing deposit, rent was raised by 40 per cent. Another example: The landlord allowed the tenant to pay one picul of rent less after the harvest but raised the deposit by 10,000 yuan. This deposit had to be paid at the beginning of the year. He loaned this sum out at an interest of 10 per cent per month, getting 1,000 yuan a month or 12,000 a year, the equivalent of two piculs of unhusked rice. In other words, by this method of increasing deposit, rent was doubled.¹

There were still other ways of increasing land rent:

"The landlords imposed surcharges under various names, such as 'work rent', 'kaoliang rent', 'bean rent', and many others."²

¹ From an article by Yi Mo, "Sad Conditions in the Countryside", *Hsinhua Daily*, January 3, 1945.

² From a letter from Miao Hsing-min, published in *Ta Kung Pao*, Chungking, July 2, 1942.

Besides the division of the crop between landlord and tenant, the latter had to present gifts to the former — “New Year gifts” — which, as a rule, consisted of two pecks of glutinous rice, two pecks of soya beans, two chickens and two ducks.¹

What had been only a private arrangement between the landlord living in town and the tenant by which the tenant rendered certain services in his spare time has now been put into writing as an obligation. Whether the tenant is busy on his farm work or not, he has to do service for the landlord — carrying water, grinding flour, fetching firewood, running errands, etc. For the sake of renting land, the tenant is ready to pay the price of being cheated overtly or covertly as if he were paying a commission in an ordinary business transaction. He also has to subject himself to the landlord's extra-economic exploitation, like a serf who has lost freedom. Worse still, if the able-bodied members of a tenant family are all conscripted, the lease will be cancelled, leaving the old and young uncared for; or else the family will sink into a status of “dry-land tenant”, that is, toiling on the poor unirrigated dry land and rendering more service to the landlord than an ordinary tenant-peasant.²

It can be seen, therefore, that during the war period, exploitation in many primitive forms, equivalent to serfdom, was restored by the landlords to supplement rent proper. The condition of a great many tenant-peasants

¹ Hsu Ying, “A Glimpse of the Countryside”, *Ta Kung Pao*, Kweilin, April 15, 1942.

² Liu Chung-chih, “Situation in the Villages in Late Autumn”, *Kuo Min Kung Pao*, October 30, 1943.

sank still lower. The lower they were in the economic scale, the worse they suffered from these surcharges. Poor peasants were the only ones to be conscripted into military service in the Kuomintang-controlled areas. The landlords cancelled the lease granted to their able-bodied tenants who went to fight the Japanese invaders, thus killing the only hope of the old and young dependants for survival on rented land.

In the Kuomintang-controlled areas the landlords relied on political influence to carry out their exploitation of the peasants during the war. They were the men in power in the rural districts and raised the rent as high as they wished, using their power to compel the tenants to obey their orders. The political power, representing the interest of the landlords and compradors, placed the war-time burden — money, material, and manpower — overwhelmingly on the shoulders of the peasants. Although they bore the burden, the peasants had no hope of reducing the landlords' continuous oppression. On the contrary, the landlords took advantage of the situation to impose new burdens.

"The landlords met the land tax in kind by shifting the obligation on to the tenants."¹

"Using the tax in kind as a pretext, they raised the land rent."²

"After the government collected the tax in kind, the landlords called for a bigger deposit and raised the rent in grain."³

In the Kuomintang-controlled areas, these actions of the landlords were quite legal. A decree of the Executive

¹ *Szechuan Economic Quarterly*, Vol. I, No. 4, p. 338.

² *Ta Kung Pao*, August 13, 1942.

³ Hsu Ying, *op. cit.*

Yuan of the Kuomintang government declared that "land rent may be raised by applying for permission from the government if the amount of rent paid in kind or changed into kind according to a tenancy contract is not sufficient to pay grain tax"; and that "in case of a dispute, or in the case of a tenant refusing to pay rent, a suit may be brought to the court".¹ This was pouring acid into the peasants' wounds! It was encouragement to the landlords to extort as much as they could to add to their own wealth, and, at the same time, it benefited the officials. To say that the rent was not sufficient to pay the tax was just a pretext to allow the big landlords to work out all manner of methods to increase the rent. The increased rent "in kind" was squeezed out of the peasants to be used in speculation on the market.

The landlords and their spokesmen usually claimed that the rise in food prices justified their raising of rents and deposits. They pretended not to know that "the tenants had no surplus grain for sale, and therefore could not have much—if any—cash".² The rise of grain prices was itself the result of monopoly by the landlords, compradors and officials. For example, "in 13 counties in the Chengtu area (Szechuan Province), 80 per cent of land rent was paid in kind, the amount being approximately 70 per cent of the produce. In other words, of the six million piculs of rice produced, 4.2 million piculs went to the landlords".³ This large amount of grain extorted from the peasants became an important means by which the landlords, compradors and officials monopo-

¹ *Chekiang Daily*, November 27, 1942.

² "Relief to the Tenant-Peasants", the *New Szechuan Daily*.

³ *Industrial Information of Southwest China*, Vol. V, No. 4, p. 33.

lized the grain market and manipulated prices, and caused a general rise in prices of other commodities. The increase of rent explains how the monopoly of the grain market was brought about and how that monopoly was strengthened.

The following data show the difference in the rate of increase between the selling price of farm produce and of rent in four counties of Szechuan.¹

| (1937=100) | 1938 | 1939 | 1940 | 1941 | 1942 |
|-------------------------------|------|------|-------|-------|-------|
| Selling price of farm produce | 130 | 275 | 900 | 2,750 | 4,000 |
| Rent | 140 | 330 | 1,125 | 3,000 | 4,500 |

When the peasants were compelled to sell their produce in order to live, the selling price could never catch up with the rent increase, and the discrepancy between the two became bigger and bigger. In fact, the impoverished peasants could never be sure of getting the stated price for their produce because the landlords, compradors and officials monopolized the market. On the other hand, the figures for rent listed above only indicate the increase of rent proper and the actual rent increase in other forms was even greater. The gap between the rate of increase of the selling price of farm produce and that of rent was in reality much bigger than the figures cited above.

Here is a story of how the tenants in Changning County, Szechuan, sold their young crops to pay for rent deposit:

¹ From the *Economic Information*, published by the University of Nanking, No. 187.

They were compelled to sell their young growing crops to the wealthy landowners at half the price of harvested rice. In a few areas in this county, nearly all the tenants sold their young crops, some even their autumn crops, leaving only enough to pay rent. They themselves ate "fairy rice" (a kind of fine earth), tightened their belt, saving their cattle and dreaming of reaping potatoes and sweet potatoes in winter and the first crops in the next spring to fill their empty stomachs.¹

Two piculs of young crop for one picul of mature rice — such was the selling price the tenants got! This low price was set in the midst of high grain prices in a market monopolized by the landlords, compradors and officials. The landlords, compradors and officials were sellers at the high price, and the impoverished peasants and the city poor were buyers. The peasants were compulsory sellers at the low price and the landlords, compradors and officials the buyers. The peasants had no alternative but to sell their produce at low prices in order to be able to pay the deposit. The landlords, compradors and officials bought the produce at low prices and obtained high rent. This was the true landlord-comprador-official concept of fair-play and benevolence!

The big landlords, compradors and officials in the Kuomintang-controlled areas used commodities as means of war-time speculation, and whoever hoarded more commodities possessed more stable assets. Grain was the commodity in largest quantity in this agricultural country and it became an object coveted by the landlords, compradors and officials. They got large amounts of

¹ Li Yi-feng, *op. cit.*

agricultural produce by extorting high rent and by buying it in large amounts at forced-down prices.

During the course of frantic war-time hoarding, the form of rent underwent changes. Money rent, which had existed to a certain extent before the war, was changed back to rent in kind. Money rent had never been a stable form of rent in semi-feudal and semi-colonial China where economic conditions were in a state of flux. The landlords were closely tied up with comprador business, and were skilled in monopolizing the market. They demanded that rent be paid in money or in kind whichever they figured was more advantageous to them. In the case of rent in kind commuted into money, they of course made the conversion to their best advantage. As reported by the *Commercial Daily* on August 28, 1944: "On account of the rise of commodity prices, the rent which used to be collected in money was changed back into crop rent." In other words, in the Kuomintang-controlled areas during the war period, money rent was largely turned into rent in kind. In the case of increasing deposit in money, the landlords used the money to buy more grain and other commodities for hoarding. Deposit in money was also replaced by deposit in kind. For example, an extract from a newspaper article said: "Formerly, deposit for renting a plot charging a rent of 10 piculs was 5,000 yuan. This year (1943) it is changed into four or five piculs of unhusked rice."¹ Another newspaper article said:

In some cases money deposit is changed into crop deposit. For a plot charging a rent of 10 piculs of unhusked rice, the deposit is at least 2 piculs. . . . In

¹Liu Chung-chih, *op. cit.*

one case the deposit demanded is 30 piculs for a plot charging a rent of 28 piculs!¹

* * *

The foregoing shows that during the anti-Japanese war period in the Kuomintang-controlled areas the basic characteristics of land rent in semi-feudal and semi-colonial China were further developed. The new development may be summed up as follows:

1. During the war period, the landlords and comprador-capitalists sought grain—the commodity in greatest abundance in an agricultural country—as the quickest way of making a fortune by speculation. Monopoly of grain and control of its price was made possible mainly through rent exploitation. The quest for grain, therefore, led to quest for rent, which in turn accelerated the tying up of speculation in land with speculation in business. The collaboration between comprador capital and landownership for the increased exploitation of rent reached its peak during the war.

2. In order to hoard large amounts of grain, the leading officials, representing the big landlords and big compradors, relied on the Kuomintang's political and military power and openly and directly took part in land and business speculations based on rent exploitation. As they rose in the ranks of the big landlords and big compradors, they intensified such exploitation. Furthermore, their unrestrained exploitation was legalized by political and military decrees which encouraged intense exploitation and resulted in the restoration of primitive methods of merciless exploitation.

¹Li Yi-feng, *op. cit.*

3. The incredibly ruthless exploitation of the peasants through the medium of land rent enabled the big landlords, big compradors and big officials to quickly accumulate vast wealth during the war period, while the peasants were reduced to depths of unbearable poverty. As a result, production declined and the productive forces were checked. In the Kuomintang-controlled areas, the drop in agricultural production due to rent exploitation brought about a long period of agricultural crisis, which was intensified and sharpened as never before.

CHAPTER VI

PRICE OF LAND

Trade in land began over 2,000 years ago in China when feudalism was already considerably developed. It grew out of the economic foundations of feudal landownership. For ages the transfer of land property was through the process of "the strong swallowing up the weak", a term which adequately describes the "trade". Those who did the "swallowing up" were, of course, the powerful representatives of feudal landowners—the "strong". The usual method was compulsory purchase with little compensation, or occupation without compensation, a form of outright robbery. In such transactions, economic influence or even direct political influence was brought into play—these two influences were interchangeable. At different periods, land belonging to owner-peasants and small landowners came into the possession of the big officials and the powerful landed gentry—the representatives of the feudal landowning class. Many stories of the old Chinese feudal society tell about aristocrats, high officials, wealthy merchants and other influential persons endlessly questing for land. As soon as they had taken over land, at little or no cost, they began collecting the maximum possible rent from their tenants. They were as greedy to possess land as they were to get rent. In buying land, they did not very often calculate the price of land on the basis

of the amount of rent. On the contrary, they calculated the price in inverse proportion to the amount of rent, i.e., rent was high but land price was low, or land was simply taken over without compensation.

The price of land as herein described is different from that in capitalist society in general. The economic theory of Karl Marx tells us that land itself has no value (the value of a commodity is determined by the socially-necessary labour which produces it, and land is not a product of human labour). The price of land is, therefore, determined not by its value, but by the rent produced by the private ownership and monopoly of land. In capitalist society the price of land is merely capitalized rent. "It is in fact the purchase price — not of the land, but of the ground-rent yielded by it — calculated in accordance with the usual interest rate."¹ Therefore, "The price of land may rise, because the rent increases".²

In China, the price of land, like land rent, manifests its feudal and semi-feudal character and the character of being — complex, transitional and ever-changing — determined by the semi-colonial and semi-feudal mode of production. The price of land rises because rent increases. This may seem to be like capitalist land price, which exists in a few individual areas. But even under such conditions, the price of land still contains or reflects feudal or semi-feudal compulsory character. Not infrequently, the order is reversed, that is, rent increases because the price of land rises. Another situation is also to be found. A drop in the price of land occurs at the same time as rent increases, i.e., the survival of the old

¹ Karl Marx, *op. cit.*, Vol. III, p. 609.

² *Ibid.*, p. 757.

feudalistic swindling in land transactions. As we have described previously, the land price in such open robbery is determined by economic influence and direct political influence, not by the amount of rent from the land.

We shall now discuss the situation where the price of land rises as rent increases.

The increase of land rent or the aggregate land rent in modern period is not, as a rule, based on increased investment by the landlords in agricultural production, which brings about an extension of arable area or improvement of the soil of the original land resulting in greater yield. It comes from adding new exploitation to the old exploitation. The development of commodity relations, money relations and capitalist relations in the semi-colonial and semi-feudal economy of China and, along with it, the changes in the importance of location of the land—all these leading to the rise of the price of farm produce—are contributing factors to the existence of differential rent. But the landlords merely view them as a justification for rent increases.

The landlords and their blood relations—the merchant capitalists and the compradors—are, in fact, the monopolists of farm produce in the market, and the rise of the price of farm produce is usually tied up with their price monopoly. The poverty-stricken tenants have nothing to do with such price increases. Yet rent rises as the price of farm produce rises. Such is one of the characteristics of rent in semi-colonial and semi-feudal China. The rise of rent inevitably affects the price of land which also rises. The following data offer some explanation:¹

¹ Chiao Chi-ming, *op. cit.*, p. 85.

| Place | Year | Price of land | | | Rise in land price | | |
|---|------|---------------|-------------|-------|--------------------|-------------|------|
| | | Good | Me- dium | Poor | Good | Me- dium | Poor |
| Kunshan County, Kiangsu Province | 1905 | 25.09 | 16.36 | 8.09 | (1905 = 100) | | |
| | 1914 | 50.00 | 30.91 | 17.27 | 199 | 189 | 213 |
| | 1924 | 87.73 | 60.45 | 37.55 | 350 | 369 | 464 |
| Nantung County, Kiangsu Province | 1905 | 39.28 | 28.06 | 19.32 | (1905 = 100) | | |
| | 1914 | 59.76 | 39.24 | 28.48 | 152 | 140 | 147 |
| | 1924 | 98.09 | 67.96 | 49.23 | 250 | 242 | 255 |
| Suhsien County, Anhwei Province | 1905 | 20.21 | 9.67 | 3.75 | (1905 = 100) | | |
| | 1914 | 23.18 | 11.70 | 4.94 | 115 | 121 | 132 |
| | 1924 | 37.00 | 21.47 | 9.58 | 183 | 222 | 255 |

Chiao Chi-ming who undertook the investigation states:

In the three counties the price of land increased in a surprisingly high speed. It was chiefly due to the increase of population, the rise in the price of farm produce and the influence of marketing conditions and communication facilities.

Comparing the data here with those cited in Chapter IV concerning the increase in rent in Nantung and Suhsien from 1905 to 1924, we can see that the increase in the price of land goes together with the rise in rent, and the former is a reflection of the latter. The increased rent while containing certain elements of differential rent, still shows the compulsory character of semi-colonial and semi-feudal rent. Also, as the above data show, in most cases the increase in the price of land is faster than the increase in rent. All this combines to explain

why the landlords, compradors and officials, with the increase of rent, become more anxious to seek greater monopoly of land, which in turn enables them to obtain still more rent.

The same data, like the rate of rent we have described before, show the general tendency that the poorer the soil, the higher the rate of increase of the price of land. Investigator Chiao Chi-ming says,

The rate of increase of the price of medium and poor land is faster than that of good land because the former is cheaper, easier to sell and preferred by most tenants.

This faster increase in the price of medium and poor land reflects a still faster increase in rent of these lands. This also explains the swelling of the ranks of the poorer strata of the peasants and the compulsory character of feudal and semi-feudal exploitation. Contrary to the view of bourgeois economists, the tenants seek to rent the poorer land not because of preference but because they are economically compelled to do so. The more the peasants sink into poverty, the more they are compelled to rent poorer land at higher rent. Consequently, medium and poor land become more and more valuable to the landlords.

On the one hand, the peasants lose more of their own land — often the better land; whilst on the other hand, they come to depend more on the landlords' land — often the poorer land. As a rule, peasants lose most land in the fertile areas; next comes the less fertile area, and so on. These changes have been accelerated by the development of commodity relations, money relations and capitalist relations. Chiao Chi-ming also says:

The number of tenant-peasants is in direct proportion to the fertility of soil and price of land. Along the Yangtse River, land is fertile, land price high and tenants numerous. In Suhsien, land is poor, land price low and the number of tenant-peasants is smaller than that in Kunshan and Nantung. Recently, however, land price there has gone up and the number of tenants has also increased.

We can see the effect of uneven economic development on the price of land. Land price usually rises higher in areas where trade is more developed (generally speaking, they rise fastest in places near the big cities, main communication lines or seaports). It can be seen, therefore, that the fertility of soil instead of being a condition for developing the peasants' own production, becomes one for the rich and influential to take the ownership of land from the peasants. The development of commodity relations, money relations and capitalist relations, instead of pushing up agricultural production, hastens the loss of the peasants' own land. The landlords, compradors, officials and warlords grab all the fruit of the rise in land prices, resulting from economic expansion. To the peasants, high price of land means a threat of loss of their land and an indication of their worsening plight. First, the landlords take advantage of the high price of land to induce or compel the peasants, who are hard pressed by poverty or debt, to sell their land. Once their land is gone, they have no hope of buying it back or purchasing another plot because the price is too high. Then, the landlords, taking advantage of the high price of land and the increase of the number of landless tenants, raise the

rent still more, particularly the rent of the impoverished tenants working on poorer plots of land.

To summarize: On the one hand, the price of land rises as rent increases — not a normal capitalized rent; and on the other hand, rent increases as the price of land rises. The price of land is not only a reflection of rent but in turn affects rent. In this respect, land price in China still contains a semi-colonial, feudal or semi-feudal character, and, generally speaking, not a capitalist character, though in a few individual places it contains certain capitalist elements. It would be absurd to treat the semi-colonial and semi-feudal land price in China as capitalist in general. Such hypothesis is the hypothesis of the counter-revolutionary Trotskyites, and leads to no other conclusion except making a hypocritical apology for the landlords' exploitation.

After the Kuomintang came into power in 1927, the price of land in the areas under its control rose still higher than under the rule of the Northern warlords — a sharp contrast to the rapid drop of land prices in the areas where agrarian reform was carried out under Communist leadership during the ten-year civil war period (1927-37) and in the Liberated Areas during the anti-Japanese war, where imperialist influence and oppression by the feudal landlords had been eliminated.

The *China Economic Year Book, 1934* (Chapter VI, p. 77) published a report of investigation made by the Farmers' Bank of Kiangsu in several counties. The report included a statistical table showing the price of land per *mou* in the districts of Tungshan County and its increase in the first five years under Kuomintang control (1927-32):

| District | Increase (%) | District | Increase (%) |
|----------|--------------|----------|--------------|
| 2nd | 35 | 8th | 20 |
| 3rd | 30 | 9th | 30 |
| 4th | 28 | 10th | 25 |
| 5th | 25 | 11th | 20 |
| 6th | 20 | 12th | 30 |
| 7th | 25 | | |

Average for whole county: 26.16%

In general, the rise in the price of land was not due to the development of capitalism. It was, like the increase of rent, an outcome of landlord and comprador economy, intensified under the dictatorial rule of the Kuomintang. It demonstrates the way in which the newly-risen Kuomintang regime employed its political and economic power to grab land from the peasants and old landlords — particularly the medium and small landlords. Such a social character of land price was seen at its peak during the anti-Japanese war.

The rise in rent in the Kuomintang-controlled areas during the anti-Japanese war inevitably reflected itself in the price of land, and speculation in grain inevitably led to speculation in land.

Ku Tsu-en, a bourgeois economist, says:

As grain prices rise, the landlords make large profits without doing any work. So everybody wants to invest in land. Not only the big landlords who absorb the small peasants' land with the surplus capital obtained from selling farm produce at high price and by applying political and economic pressure, but mer-

chant capital and finance capital also invade the countryside to buy up land, causing sharp increases in land prices.¹

The investment in land mentioned by this bourgeois economist was not capitalist investment in production made by the big landlords, compradors and officials. What actually happened was: after turning the rent they squeezed out of the peasants into money through their monopoly control of the market, the big landlords, compradors and officials used the money to buy large amounts of land, in order to squeeze still more rent.

When the big landlords, compradors and officials turned the rent into money, their assets consisted of rent plus large amounts of commercial profit. The latter, as we know, was not the normal capitalist commercial profit but speculation profit of the feudal or semi-feudal, colonial or semi-colonial character obtained by coercion or swindling. This process reached its peak in the Kuomintang-controlled areas during the war. The amount of rent being directly proportional to the profit, the big landlords, compradors and officials became more frenzied in their quest for land than before the war — relying not on money alone but also on direct political coercion. They thus forced up the price of land higher and higher.

The following table shows the average index numbers of the price of land in seven counties of Szechuan Province from 1937 to 1941 (January to July):²

¹ Ku Tsu-en, *The War-time Price of Food Grain*, p. 17.

² Based on the Farmers' Bank of China's investigation report No. 6, "Rural Commodity Prices in Szechuan".

(1937 taken as 100)

| Type of land | 1938 | 1939 | 1940 | 1941 | Remarks |
|---------------------|-------|-------|-------|---------|---|
| Wet land | 128.8 | 180.8 | 352.5 | 1,258.2 | Figures are averages for 7 counties except 1940 which is average for 6 counties' best wet land. |
| Dry land | 129.4 | 155.7 | 302.0 | 1,326.4 | Figures are averages for 6 counties. Rice may be planted when rainfall is plenty, otherwise only coarse grain. |
| Land on river banks | 129.3 | 161.4 | 303.6 | 1,282.1 | Figures for 1937-39 are averages for 7 counties; those for 1940-41 are for 6 counties. The sandy land cannot keep water; only dry crops can be planted. |
| Hillside land (dry) | 132.7 | 182.6 | 275.6 | 1,538.9 | Figures are averages for 6 counties except 1940 which is average for 5 counties. |
| Waste land | 124.4 | 194.5 | 155.8 | 787.9 | Figures for 1937-39 are averages for 3 counties; those for 1940-41 are averages for 2 counties. |

Granted that the currency inflation was an influence, it can still be seen that the price of land of all kinds rose every year during the war at an accelerated rate. In most cases, the price of dry land rose faster than that of wet land, price of land on river bank faster than that of dry land, and price of hillside land faster than that of land on river banks.

The price of land in different places changed in different ways both before and during the war. The author of the same investigation said: "The price of various types of land in the several districts changed differently because of the dissimilarity in the area of land available and influence of soil and climate on the farming method." Of course, there were other differences, such as geographical location. The causes for the different prices of land during the war could be traced back to pre-war times. However, two phenomena are worth noting. First, in the places where the land price was relatively low before the war, it rose more rapidly during the war. Hsichung County has been cited as an example where land prices were lowest before the war but where prices jumped sharply during the war. Secondly, the rate of increase of land prices was not even during the different war years. For instance, in 1938 the price of land on river banks and hillside was relatively high because the price of rice then did not rise as fast as that of the dry crops. In 1939, the price of wet land and hillside land rose faster and that of waste land made a sharp increase. In 1940, the price of hillside land and waste land rose slowly because of drought and lack of irrigation. In 1941, "the price of land more than doubled because of the rapid rise in crop prices — the price of waste land quadrupled and that of other lands soared twelve to fifteen times the pre-war price (hillside land the highest, dry land second)".¹

Although the rate of rise from year to year was not uniform, it showed — First: that the increasing demand for dry crops most rapidly influenced the price of the

¹ *Ibid.*, p. 28.

poorer land on which dry crops were grown; and the increase of demand for dry crops was an indication of the increase in the number of poor people in urban and rural areas who lived on cheaper grains other than rice; second: the most rapid rise in the price of the poorer land on which dry crops were grown signified that the poorest tenants suffered most from rent exploitation. It follows that the landlords, compradors (or merchant capitalists), and officials, in selling the dry crops they had collected as rent on their monopoly market, squeezed still more profit from the poor people who lived on coarse food.

As before stated, the war-time rent and land price rose faster than the price of farm produce sold by the peasants. For instance, "the index numbers for land rent in 1938 and 1939 were 130 and 171 respectively while those for the price of farm produce sold by the peasants were 109 and 162 respectively".¹ In dealing with the price of farm produce on the monopoly market, the big landlords, merchants and officials bought cheap and sold dear; the peasants just the opposite. The selling prices of produce under monopoly control could be made to rise faster than rent. It, in turn, forced up the price of land faster than the rent and, in turn again, the monopoly price of farm produce itself.

The bourgeois scholar who made the investigation of Szechuan said:

As commodity prices tend to rise generally, everybody anticipates a rise in the price of farm produce. Anyone who purchases land figures out the profit to be derived therefrom. At a time when currency is not stable, investment in land is considered safer. Conse-

¹ *Ibid.*, p. 29.

quently, the price of land rises even faster than that of farm produce.¹

In other words, the landlords, when buying land, take into account the possible increase of rent as well as the super-profit to be derived from the rent, as a valuable possession in a period of financial instability. Under certain circumstances, the rise of land prices may be faster than that of rent and the price of farm produce.

Speculation in farm produce and in land forces up the price of land, which from the possessors' point of view has to be compensated by increase of rent — and so rent rises.

It is true that before the war the rise of the price of land affected rent as it did during the war. But in the Kuomintang-controlled areas the war-time frantic speculation in grain and in land by the landlords, compradors and officials, and the interaction between the price of land and rent, reached extreme heights.

Under the semi-colonial and semi-feudal system of China, during the anti-Japanese war, as before it, the rise of the price of land on most, and almost all, occasions did not reflect the expansion of agricultural production but indicated its decline. Speculation was the main feature. Here is a description:

Today the investors in land (should read as speculators in land — *Chen Po-ta*) vie with one another in buying large areas of land, not because they are agricultural entrepreneurs but because the idle capital they possess yields them relatively small interest if they invest it in industrial development. . . . In land

¹ *Ibid.*

speculation, capital is safe, and interest is high. This attracts many officials and merchant capitalists, in addition to the big landlords who grab more and more land. Thus, those who own land have interest in it as a gambling stake and not for the crops it produces. In spite of the fact that some landlords and rich peasants pile up a considerable amount of money accrued from grain due to the rise in the latter's price, they use the money they have made to grab still more land and engage in hoarding and in lending money at usurious interest instead of investing it in extended agricultural production.¹

Competitive speculation in land, especially that carried on by officials and compradors during the war, resulted in land changing hands at ever-increasing prices. The object of such speculation, as Comrade Mao Tse-tung says, was to squeeze the sweat out of the peasants.

Rent, of course, came entirely out of the peasants' sweat. Commercial super-profit and usurious interest were also derived mainly from the sweat of the peasants. The more land the landowners came to possess, the more the peasants were squeezed for rent and usurious interest and the greater the commercial super-profit because of the greater amount of rent going into the market. Thus, the scramble for land by the landlords, compradors and officials turned into a frenzied gamble during the war period when economic conditions were most erratic. As mentioned early in Chapter V, "according to an investigation in the vicinity of Chengtu, a certain piece of land changed hands eight times within one month. The speculators often let the land lie idle as this

¹ *Szechuan Economic Quarterly*, Vol. I, No. 4, p. 134.

did not prevent them from gambling with it". They could afford to let it lie idle because they figured they could squeeze the peasants without limit, and the more land they owned, the richer they would be. Consequently, the price of land went up incessantly.

It was in such circumstances that more and more peasants lost their own land, while the rent they paid for the land they leased rose with the rise of the price of land, until their condition became intolerable. The consequent decline in farm production kept step with the intensity of speculation in land.

Certain districts in the Liberated Areas, where the price of land dropped after the war-time reduction of rent and interest, now report some increase in land prices. The drop in land price in this case is due to rent and interest reduction and the emancipation of the peasants. The subsequent rise is due to the raising of agricultural productivity and expansion of the arable area as a result of rent and interest reduction. This is entirely different from the conditions in the Kuomintang-controlled areas. The economic development after the peasants are emancipated causes a quantitative rise in differential rent. As long as the system of private land-ownership exists, such rise of land price is a product of a free economy—a different matter from the speculation in land by the landlords, compradors, officials and warlords.

Because speculation in land and decline in agricultural production closely follow the peasants' loss of their own land and their impoverishment, and because the economic domination of the landlords, compradors and officials in agriculture is characterized by brutal compulsion and swindling, with political power often tying up with

economic power, it is not to be accepted that in the semi-colonial China the price of land under a feudal or semi-feudal system has only one phase, viz., its constant increase. There is another phase, viz., its constant decrease. It is nevertheless a contradiction, a contradiction of real life.

We have described the first phase. We shall now describe the second phase. To cite some data:

The Central Agricultural Experimental Institute at Nanking reported changes in the price of land in different provinces from 1912 to 1933 as follows: Price increased every year in Suiyuan, Honan, Yunnan, Kweichow, Kwangtung and Kwangsi. As for Chahar, Chinghai, Shensi, Chekiang, and Fukien, it decreased every year in some places and fluctuated from year to year in others. However, land price for 1933 in these provinces was lower than that for 1912. In Kansu, Shansi, Hopei, Shantung, Kiangsu, Anhwei, Hupeh, Szechuan, Hunan and Kwangsi, land price was highest in 1931-32 but dropped in 1932-33 — prices in 1933 being still higher than in 1912.¹

Although it is difficult to say whether these data are absolutely correct, it is still true that under uneven economic development and multifarious political and economic changes, the price of land of recent period rises or falls in different places and at different times.

The following are some reports on the drop in land prices in the Kuomintang-controlled areas before the anti-Japanese war.

An investigation made in 1933 at Tangshan stated:

The price of the farm land in the vicinity of Tangshan, Nanking, does not rise but tends to fall in spite

¹ *Materials on Chinese Rural Economy*, Vol. II, pp. 497-98.

of requisitions of large tracts by the military and agricultural and forestry offices and increasing demand for arable land following the increase in the number of peasants. The price of farmland near Tangshan Town, however, rises quickly as land is being sold as site for buildings. . . . The price of wet land has dropped by more than 40 per cent as compared with five years earlier while that of dry land remains the same. . . . The situation is that the peasants cannot easily find wet land to till though the price of wet land falls.¹

An investigation made in 1933 in Hopei Province stated:

The price of land dropped sharply. What used to cost 100 yuan a *mou* a few years before, now sells for 30, 20 or even 10 yuan (e.g., in Shulu, Ningchin, Chaohsien, Chinh sien, and Chuyang Counties). In a village of Hsingtai County, a peasant had to sell his land to repay debt and he got only 38 silver dollars for 12 *mou* of land; another got only 25 for eight *mou*. Thus, the average price is three yuan per *mou*, only one-tenth of what it used to be.²

An investigation made in 1934 in the western outskirts of Peking reported: "The price of land from the poorest to the best in 64 villages was lower than that of five years previously and approximately equal to that of ten years earlier."³

An investigation made in 1935 in Fuping County, Hopei, reported: "One *mou* of good land which used to

¹ *Ibid.*, p. 53.

² *Ibid.*, p. 136.

³ *Ibid.*, p. 157.

sell for over 200 yuan is now worth only 50. A loan of 2,000 yuan which used to be offset by 10 *mou* of land now takes 40 *mou*.”¹

An investigation made in 1934 in Szeshui County, Shantung, disclosed:

The price of land in 1933 was: From 120 to 150 yuan for the good land, 60 to 80 yuan for the medium. This year, it is at most 70 yuan for the good land, 40 yuan for the medium and only 20 or 18 for the poor land.²

Still another 1934 investigation gave the price of land in Kuohsien, Shansi as follows:³

(In yuan)

| | 1931 | 1932 | 1933 |
|------------|------|------|------|
| Wet land | 150 | 140 | 80 |
| Dry land | 60 | 55 | 60 |
| Hilly land | 30 | 30 | 10 |

“In spite of the low price, there were more sellers than buyers.”⁴

According to a 1934 investigation, “In Peiliu County, Kwangsi, the price of land which in 1929 was 150-250 yuan per *mou* was, in 1934, only 80-160 yuan.”⁵

Although the reasons for the fall in land prices are different in different places, they may be summarized

¹ *Ibid.*, p. 171.

² *Ibid.*, p. 235.

³ *Ibid.*, p. 281.

⁴ *Ibid.*

⁵ *Ibid.*, p. 335.

in one sentence: "The fall of the price of land is an indication of the decline of rural economy."¹ The long period of agricultural crisis in China has been brought about by the direct economic and political exploitation and oppression by the landlords, officials and compradors on the one hand and, on the other, by the imperialist powers using their privileged position to import agricultural products into China and buy up China's agricultural products at cheap prices. In one way or another, these factors contributed to the fall of land prices.

The resulting fall in the price of land is, of course, different in cause from the price decline in the areas where agrarian reform was carried out before the anti-Japanese war and in the Liberated Areas during the war. In the latter case, the fall was due to the peasants coming into possession of the land after their liberation or due to the reduction of rent and interest. In the Kuomintang-controlled areas, however, the fall of the price of land, like its rise, was an indication of the loss of the peasants' own land and their impoverishment. Here, the fall of land price, instead of reflecting the lessening of rent exploitation, reflects the decline of rural economy and the effects of continuous calamities inflicted upon the countryside under the rule of the landlords, compradors, officials and warlords. In face of bankruptcy and debt, the peasants are compelled to sell their land at cheap prices. (Whether the peasants sell their land at a good price or not is a matter of chance, while the cause of their losing land is always the same.) In addition the old landowners whose power is declining and who cannot compete with the new upstart landlords also

¹ *Ibid.*, p. 53.

have to sell their land to the latter. In short, the fall in the price of land is mainly a result of increasing oppression and bankruptcy suffered by the peasants and a necessary complement to the high rent. Rent remains high though the price of land was low. Such is the crux of the matter.

The fall of the price of land only gives new opportunities to the landlords, compradors, officials and warlords to grab more land and to squeeze out higher rent. High rent, high taxation and usurious loans have been the chief causes for the decline of rural economy and the peasants' loss of their land. The dispossessed peasants, except those who leave their home villages to seek a living elsewhere, change from owner-peasants to tenants or semi-tenants, or from semi-owner-peasants to tenants. They are forced to subject themselves to the exploitation of high rent. As to the land they formerly possessed, its price rises immediately it passes into the hands of the new landlords. In a word, under the semi-colonial and semi-feudal economy dominated by the compradors and landlords, the price of land, either high or low, becomes a sign of the peasants' impoverishment and bankruptcy, and a sign of exploitation by the landlords in the form of still higher rent. This may be called the unity of contradictions. Such was the situation in the Kuomintang-controlled areas during the war period.

Here is another aspect of the sharp rise of the price of land in the Kuomintang-controlled areas during the war. A writer of the day says:

The officials, merchants and landlords penetrate every corner. In places where the land price rises rapidly, they can, of course, display their ingenuity. In other places where the land price drops sharply on account

of famine, they also vie with one another in quest for land. Take for instance, the conditions in Honan, Shantung, Chekiang and Anhwei Provinces since 1942. There famine occurs owing to the havoc wrought by the Japanese invaders and due to the failure of human efforts to avert natural calamities. The broad mass of peasantry suffer hardship and misery and farm production is suspended. Where famine is most serious, land prices drop to as low as one-tenth of the normal rates. Taking advantage of this situation, the profiteers buy up large tracts. Conditions are thus being created for the concentration of land more and more into a few hands.¹

Another writer describes the conditions in western Honan after the famine in 1943:

The peasants have deep and warm attachment to the land to which they are tied like flesh and blood. But when they and their families are on the verge of starvation, they have no alternative but to sell their land, and they do it tearfully as if cutting a piece of their own flesh. Particularly in famine areas where land-selling is more common. Needless to say, the sellers are middle and small peasants while the buyers are landlords and powerful gentry. One thing worth noting, however, is that the fortunes of the "local rich men" who depended on income from rent alone for a living, gradually declined on account of crop failures or the heavy burden of additional charges they had to bear. In their place are now found the newcomers — the big and small officials and rich mer-

¹Hsiao Ming, "Land Reform and Industrialization", *Masses*, Vol. X. Nos. 21-22.

chants. In the countryside, however, it is difficult to distinguish between a landlord, a member of the gentry, an official and a rich merchant, because most of them are the "big men" in dual, or triple capacity. They are the ones who do not depend on income from land alone; they have ready money; and, instead of suffering when famine occurs, they take advantage of it to buy land cheap. In normal times (after the outbreak of the anti-Japanese war), one *mou* of land sold for 3,000 to 4,000 yuan; at that time it sold for only 500 to 600 yuan — or 400 yuan if the seller faced immediate starvation. In a small village along the Yellow River, a rich merchant bought up 300 *mou* of land in three months, and a petty official bought up 500 *mou*. The transfer of landownership also means concentration of land in a few hands. Complete data are not available to prove the degree of such concentration, but the following example illustrates the point. Sixty middle- and small-peasant households out of a total of two hundred in one village have to sell their land to live, and their land comes into the hands of three landlord-merchants. Although there is a government decree declaring that any contract for the transfer of land during a famine is invalid, how dare the insignificant peasants bring charges against the "big men" who are at once officials, landlords and merchants?¹

In such circumstances, the "strong swallowing up the weak", so familiar in history, in economic as well as political form, is the order of the day. In the world of the "strong", now appear new personages. The Euro-

¹Shih Lan, "Present Condition in the Countryside of Western Honan". *Chinese Peasant*, Vol. IV, No. 4.

peanized newly rich who have risen during the war period, who have direct connection with the political power of the Kuomintang and who can directly stir up the speculative market, gradually replace the "local rich" who depend entirely on land rent for their living, who have no direct connection with the political power of the Kuomintang and who cannot directly stir up the speculative market. These modern "strong men" control the price of land. Ruthless as they are in dealing with land rent, they are even more ruthless in their method of "swallowing" the land.



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