

Date of Meeting:

06-10-1952 -21-10-1952

Type of Meeting:

National Agricultural Work Conference

Attendance:

Convened by Ministry of Agriculture

Speeches/Reports:

Liao Luyan (Vice minister of Rural Work Department): "Report and Opinions on Village Finance, the Burden on Peasants, Education, and Village Government,"

Liao Luyan reported

that a variety of arbitrary charges had started to appear at all levels of the new government. Based on a survey of sixty-one townships, he discovered that the total amount of grain levies, local-added levies, donations for supporting Korea in the fight against the United States, and requisition of donations at the village level accounted for as much as 21.53 percent of peasants' annual income. In addition to these items, there were still countless others. For example, sectors that ran businesses in the countryside, such as banks, shops, cooperatives, post offices, and Xinhua bookstores, forced peasants to "subscribe" or "voluntarily donate," under the pretext of "developing business." The masses were very unhappy about this situation, claiming that village cadres had become paint dealers, stamps dealers, red-tea dealers, rice noodle dealers, and tax-bill dealers, bringing detrimental social effects and placing a "heavy burden" on peasants.

Liao Luyan's report attracted Chairman Mao's attention. The central government then issued a special order to strictly control local-added agricultural taxes. The order limited local-added taxes, which were levied along with regular agricultural taxes, to below 15 percent of the latter.

However, driven by local interests, local governments at all levels not only collected local-added agricultural taxes prescribed by the Party center, but continued with the great variety of arbitrary requisitions of donations from peasants.

Such arbitrary fund-raising became even more ominous than before. On learning this, Chairman Mao was very disturbed. To pacify the peasants' discontent, he immediately instructed the Government Administration Council to issue a drastic decision to deal with the emergency situation as follows: all added taxes were to be revoked and the state was to take over the payment of village cadres' allowances, administrative expenses of village government, and teachers' salaries; any kind of requisition of donation from peasants was to be resolutely prohibited; if a village wanted to launch any public interest undertaking, it was to be allowed to raise funds for this purpose only if the masses voluntarily agreed to such a project, and the self-raised funds were not to exceed 7 percent of regular agricultural taxes.

This decision made by the Government Administration Council was simplified as a three-character principle—bao (take over), jin (prohibit) and chou (raise funds). This measure alleviated the burden on peasants, starting at its root cause, and thus provided incentives to the peasants who had just been liberated, demonstrating fully the merits of a young, dynamic new China. All the peasants were pleased with Beijing's initiatives to take care of their interests.

Decisions:

- 60% of the rural population should be "organized" by the end of 1953

Remarks:

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