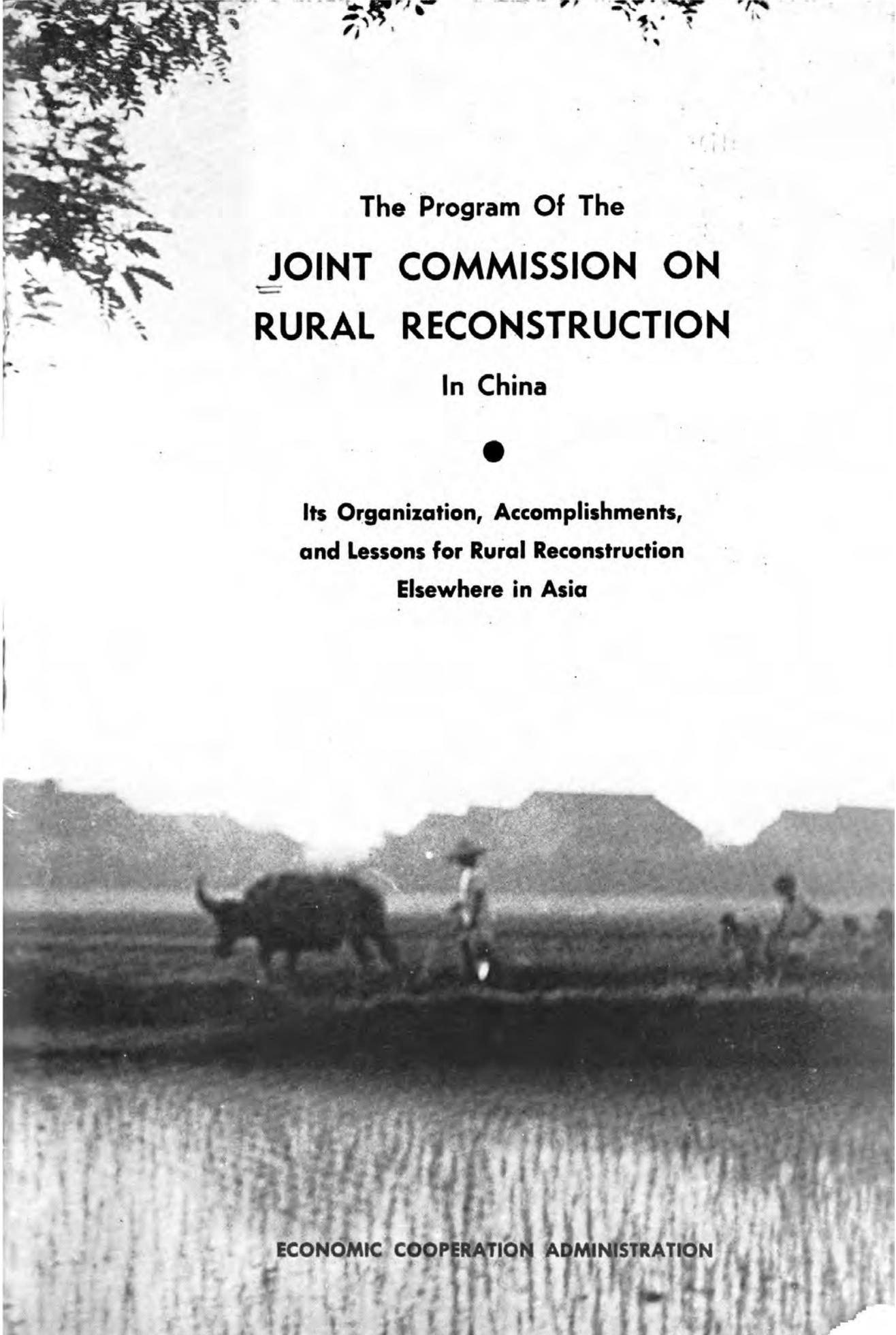


THE PROGRAM OF THE
JOINT COMMISSION
on
RURAL
RECONSTRUCTION
IN CHINA

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The Program Of The
**JOINT COMMISSION ON
RURAL RECONSTRUCTION**

In China



**Its Organization, Accomplishments,
and Lessons for Rural Reconstruction
Elsewhere in Asia**

ECONOMIC COOPERATION ADMINISTRATION

The Program of The
Joint Commission on
Rural Reconstruction
in China

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Introduction

For two years the United States Government has supported a pioneer program to develop workable solutions to some of the basic problems that keep millions of Asian farm families in poverty and ignorance and without hope.

This program is the work of the Chinese and American Joint Commission on Rural Reconstruction. The Commission was originally established on the China mainland on October 1, 1948. During the past year its activities have been concentrated on the island of Formosa.

The program was developed and its effectiveness tested in a time of great change. Now out of the crucible of China's massive civil war this Commission of Asians and Americans working together has evolved ideas and methods that can have great significance for the future elsewhere in Asia.

The JCRR is the outstanding example of a new American approach to helping citizens of economically underdeveloped countries to help themselves. It is not a program whereby the United States gives away large sums of money—experience has shown that in Asia it is difficult, at least at first, to spend large sums rapidly and wisely. Instead, it is a living, dynamic program that starts by discovering what the ordinary farm families who make up more than 80 percent of the population in Asia “feel” they need. To meet these “felt needs,” the program mobilizes the best available Chinese and American talents, local government and private resources and the Commission's own funds and puts them to work in cooperation with the local people.

An important characteristic of this program, distinguishing it from many others, is its emphasis on activities capable of bringing benefits to rural people within a short period of time. It recognizes the value of long-range programs of research and education, but its essence lies in giving immediate and adequate attention to the most urgent problems of the farmers.

Statistics are not an adequate guide to the accomplishments of the JCRR. But at various times the Commission's efforts affected the lives of perhaps 72 million Chinese. There is evidence to suggest that had this program been started in time and implemented energetically the recent history of China might have been different.

The Commission has found that it is possible, now, to apply Western scientific and economic resources to Asian needs in such a way as to benefit the great majority of ordinary folk. The experience of the JCRR is therefore of great importance today when Asia's overwhelming need for greater productivity is a political fact of first magnitude.

TENANT FARMER and his work animal produce more if both are well-fed and healthy, if he has the opportunity to learn improved farming methods, and is not forced to pay excessive land rent and interest rates



The Problem

Stripped to its essentials, the basic problem of China, and in varying degrees the problem of all Asia, is how ever-increasing numbers of farm families, which make up over 80 percent of China's—and Asia's—population, can feed and clothe and house themselves by working tiny land plots with medieval methods, supporting all the while a social superstructure of nonproductive landlords, officials and armies.

The average Chinese farm is less than four acres. The average farmer uses no chemical fertilizer and does not know about modern methods of seed selection; his crop yield is therefore unnecessarily low. He is at the mercy not only of floods and droughts, as are farmers everywhere, but he is also at the mercy of crop pests, livestock diseases, and human diseases that are controllable by modern science and sanitation, which he wholly lacks.

The ordinary farmer knows nothing of scientific farming. He carries his produce, including pigs, to the nearest market town on a carrying pole or wooden wheelbarrow. He lives in a mud house. He works seven days a week. When he borrows money he pays interest rates up to 150 percent per year to the local moneylender, there being no limitation on interest rates and usually no other source of credit.

Where the land is richest the majority of the farmers are tenants who pay 50 to 80 percent of their main crop—usually rice—as rent, there being no enforced laws protecting his tenancy at reasonable rates. These tenant farmers lack the incentive, means and knowledge to improve their own lot. Instead, as the pressure of population mounts, they and their families are forced to work harder and eat less in order to survive.

In experiment stations and laboratories of colleges and universities, a considerable amount of research has produced information and materials potentially of great use in improving the peoples' welfare. But few of these benefits have reached the rural population. In general, those in the higher levels of Government have lacked a developed sense of responsibility for the welfare of their people over vast areas of China.

This was the situation in which Communism conquered the mainland of China. Those non-Communist leaders who were keenly aware of the suffering of the people and of the importance of relieving it finally despaired of effective action by their government to respond to the people's needs and accepted the only alternative at hand. The masses, having little worthwhile to defend, were ripe for any alternative.

The Establishment of JCRR in China

On April 3, 1948 the U.S. Congress passed the China Aid Act and subsequently \$275 millions were appropriated for economic aid to China. Section 407 of the Act provided that up to 10 percent of this sum, or its equivalent in local currency proceeds from the sale of ECA aid commodities, could be used to finance a rural reconstruction program.

The Act provided that the President of China should appoint three members and the President of the United States two members to a Commission which should "formulate and carry out a program for reconstruction in rural areas of China...". An exchange of notes between the Chinese and United States Governments on August 4, 1948 formalized the establishment of such a Joint Commission on Rural Reconstruction.

Each of the Commissioners subsequently appointed was experienced in dealing with China's basic problems. Dr. Chiang Mon-lin, who was elected chairman, had served as Chancellor of the National Peking University for twenty-six years. He had also served as Minister of Education and Secretary General of the Executive Yuan. Dr. Chiang brought to the job great understanding of China's political and historical evolution.

Dr. Y. C. James Yen was best known as the founder of the Mass Education Movement. During the late twenties and early thirties the MEM pioneered in developing methods for stimulating mass literacy. In cooperation with other agencies they evolved some of the first techniques for bringing to Chinese farmers improved health, greater production and better local government.

Dr. Shen Tsung-han, former director of China's National Agricultural Research Bureau, was the country's leading plant breeding specialist. He had been closely associated with China's trained agriculturalists. He also knew in detail



Commission Chairman Dr. Chiang Mon-lin



◁ Commissioner Dr. Raymond T. Moyer

what agricultural improvements had been successfully tested in China and how and where they could be extended.

Dr. Raymond T. Moyer, during 15 years of work in China, had organized and directed the agricultural program at Oberlin-in-Shansi. Later he worked in the Department of Agriculture's Latin American programs. Dr. Moyer was also in charge of the Far Eastern desk in the Bureau of Foreign Agricultural Relations and served as a member of the China-United States Agricultural Mission.

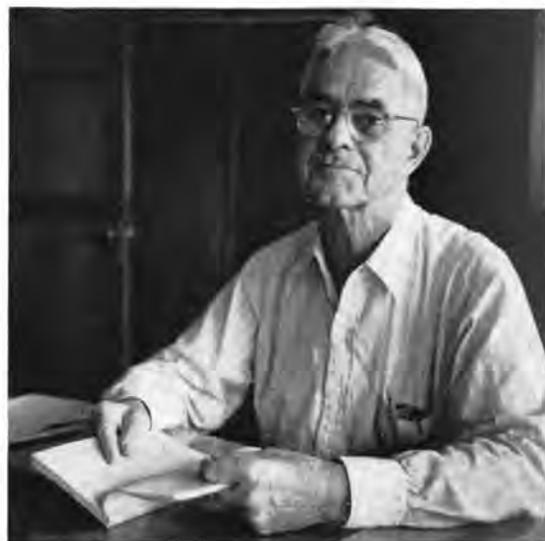
Dr. John Earl Baker had worked in China for more than 30 years. He had directed the large programs of the China International Famine Relief and the American Red Cross. A one-time advisor to the Chinese Ministry of Communications, he was personally familiar with the organization of flood prevention, irrigation, drainage, road construction and other large-scale projects.

These five Commissioners assembled at Nanking on October 1, 1948, and set out to map a program that would provide the beginnings of an answer to China's complex and almost overwhelming agrarian problem. Their job was made even more difficult by the runaway inflation and mounting civil war that prevented long-range planning. They had the advantage, however, of drawing upon the experience of private and public organizations such as the Mass Education Movement, Christian mission colleges, government agricultural research and extension centers, and private foundations.

Commissioner Dr. Y. C. James Yen 



Commissioner Dr. Shen Tsung-han



Commissioner Dr. John Earl Baker



Principles

At the outset the JCRR made the following decisions, which became basic guiding principles:

- (1) To work through existing agencies instead of setting up new agencies to carry out a program;
- (2) To strengthen government effort in all pertinent fields;
- (3) To emphasize a program bringing benefits to the people in ways they themselves understood, within a relatively short period of time.

First Year's Accomplishments of JCRR

The Commission's establishment was greeted with a flood of requests for assistance from more than a hundred private and public organizations. Field surveys were made in south, west, and central China to investigate major projects for which aid was solicited and to determine the extent to which local people were willing to cooperate. A nucleus staff of experts was recruited, including some of the most experienced agricultural and other specialists in China.

There follows a summary of the JCRR's accomplishments during the first year of its operations, October 1, 1948 to September 30, 1949:

1. A total of 160 projects in agriculture, irrigation, education, rural industries and rural health received assistance, to which funds amounting to the equivalent of nearly \$3,000,000 were paid out during the period October 1, 1948 through September 30, 1949.
2. Land tenure reform programs were put into effect in Taiwan (Formosa), Kwangsi, Szechwan and Fukien Provinces, giving to an estimated 20-25,000,000 farm people a fairer share of the crops they raise, which meant to a considerable percentage of them the difference between a bare subsistence, their former lot, and a living with at least sufficient food for the family.
3. 206,000 acres of land were brought under irrigation or had their irrigation facilities improved in Kwangtung, Kwangsi, and Szechwan, making possible annually an increase of production of paddy rice estimated at 164,000 tons, with other projects investigated and approved which, if completed, would irrigate or improve the irrigation facilities on 309,000 additional acres of land.

4. Approximately 479 Hsien (county) Health Bureaus each received about 500 pounds of a selected list of drugs and other medical supplies, in value amounting in total to about \$210,000, to help implement a health program in all accessible *hsien* in the provinces of Szechwan, Kwangsi, Kweichow and Yunnan.
5. Programs of vaccination for the control of rinderpest of cattle protected from this disease approximately 64,000 head of water buffalo; and programs were approved which were expected to protect an estimated 40,000 more head in Szechwan, Kwangtung and Kwangsi provinces.
6. Farmers of Kwangsi Province were helped to buy 81 work animals, lost during the Japanese invasion of that Province, and funds were made available for the purchase of about 5,000 more head.
7. Substantial assistance was given to a project demonstrating a broad program of rural reconstruction, carried out in eleven *hsien* of Szechwan Province inhabited by 5,000,000 people, under the sponsorship of the Mass Education Movement in cooperation with local officials.
8. The beginnings of a sound system for the multiplication and distribution of improved seeds able to increase the yield of basic food crops from 10 to 30 percent, were inaugurated in Kwangtung, Kwangsi, Szechwan and Taiwan (Formosa) Provinces.
9. Local Foundations were organized in Kwangtung, Hunan, Kwangsi and Szechwan Provinces to receive repayments of funds, granted as loans for irrigation and other repayable projects, and to administer the same as a revolving fund in support of other work in rural reconstruction.
10. Opportunity and encouragement were given to constructive-minded officials, technical personnel and others in China prepared and anxious to do something useful during a very discouraging period of the country's history.

Development of JCRR's Thinking on Program

As great as were the specific accomplishments of the JCRR on the mainland of China, and as valuable as are the contributions JCRR is making to Formosa's rehabilitation today, perhaps the greatest significance of the JCRR will lie in what it learned itself from its operations, and what it has taught the free world about how to carry on rural reconstruction in Asia.

Each member of the JCRR started with some advanced ideas as to how the job might best be done. These were adjusted and accommodated at the outset so as to arrive at an initial approach. But eight months after the initiation of a program so much had been learned that there was by common agreement a major reorientation.

First Phase

The original program took into account two different approaches to rural reconstruction :

1. **The Mass Education Approach:** This ordinarily starts in a community with adult literacy education, upon which is built further effort to organize literate farmers into producers' cooperatives. These cooperatives then serve as local organizations through which other economic and social programs are introduced, to eliminate ignorance, improve health conditions, build up the people's livelihood and encourage good Government. The Mass Education approach cooperates with and receives the support of certain elements in the local Government and it usually operates with the approval of higher levels of Government, but many of its activities are developed outside of the existing Government structures.
2. **The alternative approach:** This approach starts in a community with activities meeting felt needs of farmers, in such fields as agriculture, health, irrigation and land tenure reform, carried out entirely through existing agencies, largely of the Government. After contacts have been established and confidence built up by these activities, other activities are added, building a program eventually to include much of what is included in the full Mass Education Program.

The program first adopted by the Commission, after considerable discussion, put emphasis on plans to build up integrated program centers usually developed on a Hsien (county) basis. It was thought that the programs of these centers eventually would spread within the Province where started and that other provinces, seeing the benefits, would wish to establish similar centers. Three such centers were given support: the Center of the Mass Education Movement in the Third Prefecture of Szechwan, developed around the traditional Mass Education Movement approach; a Center in the Hangehow area of Chekiang, developed around an approach patterned after the agricultural extension and home demonstration service of the United States Department of Agriculture; and a center in the Lungyen area of Fukien Province, developed around a land reform program initiated some years earlier by the National Government.



EARLY PROJECTS included irrigation improvements which effected largest immediate increases in food production. This lateral guarantees two crops a year; all farmers in district contributed land or labor

Although starting with different initial activities, each of these centers was intended gradually to develop a comprehensive program designed to meet outstanding rural needs. Other centers were contemplated, but they were not developed, due to changes in the situation and to difficulties in finding suitable sponsors in other provinces.

At the same time, emphasis was placed on a program to increase the production of foodstuffs, largely through irrigation, the multiplication and distribution of improved seeds, and the control of animal diseases. The largest single project of this type was the T'ung T'ing Dike repair project in Hunan Province, helping to restore dikes, broken in floods the previous summer, which protect land normally producing around 300,000 tons of rice. The program at this stage also emphasized what was called local initiative projects. These were projects in all phases of rural reconstruction, usually of relatively small size, which were carried out locally by various private and Government groups in many parts of China.

Shift in Emphasis

In June, 1949, the JCRR decided upon a fundamental reorientation of its program. There were a number of reasons for its decision :

1. The Communists had overrun North China, and had occupied Nanking, Shanghai, and Hankow. The National Government had removed to Canton and the JCRR had established headquarters there. The Joint Commission concluded that the program as adopted at the beginning could not influence the situation significantly within the time which it foresaw would be allowed for the Commission's work. The integrated program centers developed too slowly, and assistance on a piecemeal basis did not help enough people solve their most basic problems. This approach might work if given three to five years, but not within one or two years. It was decided that a great deal still might be done by action in a more limited program, *emphasizing felt needs of vital importance to the rural people, carried out on a large scale.*

2. The Joint Commission concluded that only two things could prevent the remaining parts of Nationalist China from coming under Communist control: effective military action, holding some portion of Nationalist China; and *good government, meeting the needs of the people, to hold the area from within.* The first requirement was beyond the control of the Commission, but it was felt that something might be done about the second.

3. The JCRR had been greatly impressed by its experience in connection with the Lungyen project, where it had found great enthusiasm on the part of the entire local population for a land reform program initiated several years earlier by the National Government.

4. The JCRR had also been greatly affected by the tenancy conditions it found in Kwangtung Province. There, the JCRR staff perceived that the larger share of benefits from any health, agriculture, and irrigation projects undertaken by JCRR would accrue to landlords rather than to the tenants. The Commission concluded that some kind of new deal for tenants was overdue, and that it could be brought about by Government intervention regulating relations between landlord and tenant and assuring to the tenant certain minimum rights. Encouraging progress in a program of land-rent reduction in Taiwan, well under way by June, also greatly affected the Commission's thinking on this point.

The JCRR therefore resolved to approach the government authorities in Szechwan and Kwangsi with suggestions for a bold rural program which would constitute good government and effective action at least in the rural field. The Commission felt that only in this way could it make a significant impact on the fast deteriorating situation. The only alternative was for it to go out of existence without any significant achievement.

The principles governing the JCRR's thinking and action at this period were embodied in what is known as the "JCRR Manifesto," adopted by the Commission on June 27, 1949.

The JCRR Manifesto

- I. "Where responsible authorities of Government concerned are determined to undertake a comprehensive program, designed to bring about fundamental improvements affecting living conditions of the rural people, the JCRR will offer assistance to such a program.
- II. "The JCRR believes, under present conditions in China, that piecemeal efforts will have relatively little immediate widespread benefit, but that a vigorous and determined effort to solve a limited number of the most important problems, on a wide scale, might substantially improve the people's welfare in a relatively short time.
- III. "In most cases, such a program should include the following types of activity, carried out on a broad scale:
 - (1) "Land rent reduction in accordance with existing laws of the National Government, combined with measures giving security of tenure to tenants for a period of years, effective with the coming main crop harvest, carried out by the Provincial Governments.
 - (2) "Government encouragement to the organization of farmers into local associations of cooperatives, for the following purposes: to enable local people themselves to participate in enforcing the above land reform measures and establishing them on a permanent basis; to enable participating farmers cooperatively to obtain farm credit, establish rural industries, purchase farm and home supplies, and market farm products; and to serve as local organizations through which improvements in agriculture, health and adult education can be introduced.
 - (3) "Irrigation.
 - (4) "The control of prevalent animal diseases, especially rinderpest of cattle and cholera and erysipelas of swine.
 - (5) "The multiplication and distribution of improved seeds, especially of rice, wheat, sweet potatoes and cotton.
 - (6) "The improvement of rural health conditions, with special attention to anti-malarial programs and the improvement of the health services of local health bureaus.
 - (7) "Citizenship education and the dissemination of practical scientific knowledge carried out largely through audio-visual media.
- IV. "Types of assistance which the JCRR is prepared to offer in carrying out a program along these lines are:
 - (1) "Technical: The supply of specialists, both Chinese and American, who will help responsible agencies to formulate feasible plans and establish means for carrying them out.
 - (2) "Financial: The supply of a certain amount of funds for specified purposes essential to the program's success, supplementing the financial backing for these purposes supplied from provincial or local sources."



The Revised JCRP Program

The approach of the JCRP to the Government authorities on its new line was successful: the authorities promised to aid the Commission in its new program and to enforce all necessary laws in that connection. Therefore, based on the JCRP Manifesto of June 27, programs were established in Kwangsi, Szechwan and Formosa.

The revised JCRP program features six types of work, carried out on as broad a scale as possible, in full cooperation with and in large measure through the local government authority, the object being to bring immediate benefits to the masses of the rural population. These six types of work are as follows:

1. Land Tenure Reforms.

Land reform has been an issue in modern China since Sun Yat-sen advocated the principle that farmers should own the land they till. Legislation to carry out this principle had been on the books since the early days of the Republic.

Therefore, a legislative basis already existed for the Commission's proposal that the Provincial Governments concerned should carry out one feature of the existing law, namely, the reduction of land rents by 25 percent. This proposal was acted upon effectively in the provinces of Kwangsi and Szechwan and in Formosa, with a combined population of approximately 72 millions. The JCRR has estimated that its land reform programs, formulated, organized and carried out within a period of about five months, brought substantial benefits to 4 to 5 million Chinese *farm families* at a cost to the American taxpayer of less than 10 cents per family benefited.

In Kwangsi and Szechwan the land reform law was applied throughout the provinces but enforcement was concentrated in the most important counties containing about 40 percent of their total population. In Kwangsi the government, on its own initiative, added a land limitation feature requiring landlords to sell all land above a specified amount. The Communist occupation of the mainland areas in December 1949 prevented the completion of those programs but they had been well organized and rents were paid at the new rates in large sections of both Kwangsi and Szechwan before the Communists took control.

In the spring of 1949, encouraged by JCRR and with the approval of the Nationalist Government, the Formosan Provincial Government initiated a reform program to cut rentals to 37.5 percent of the main crop and to give tenants greater security of tenure. All lease contracts between landowner and tenant were to be revised, rewritten, and registered with the authorities. New contracts were to be effective for a period of from 3 to 6 years according to local agricultural conditions, and could not be terminated within that period without Government approval. All irregular practices such as key money, black market rent and advance rent were to be eliminated and offenders punished.

JCRR assistance to the rent reduction program in Formosa was in the form of funds for (1) training of local personnel to put over the program, including field workers, supervisors, registrars, statisticians and clerks; (2) traveling expenses of these workers; (3) printing and distribution of publicity materials, and holding of meetings to explain the program; (4) statistical work on land ownership distribution; and (5) inspection trips throughout the island in order to discover the degree of enforcement of the regulations and the effectiveness of the program.

Although violations were discovered, investigation revealed that some 350,000 tenant farmers, or more than 90 percent of the total, paid rent at the reduced rate of 37.5 percent of the main crop. This meant on the average roughly 1300 pounds of rice to each tenant farmer.

To determine the rent due from each farmer, the Government has classified all the cultivated acreage into 26 grades and specified a standard yield for each. Recent changes in land use have given rise to numerous disputes between landowners and tenants regarding land types and grades. To straighten out the situation the Provincial Government Land Bureau had undertaken a project of land reclassification, involving the location and survey of areas of changed land



NEW LAND RENT REDUCTION REGULATIONS are explained to bewildered tenant by JCRR Land Specialist (left) and Prefectural Commissioner (right). JCRR maintained close check on implementation of land reform programs throughout China and Formosa. Picture was taken near Chungking before Communist advance

use, the reclassifying and revising of land types and grades, the revising of farm lease contracts to make the amount of land tax and rent correspond to the changed type and grade. JCRR assistance has been in the form of funds for training workers and surveyors and for printing regulations and instructions to workers.

As a follow-up to last year's rent reduction program, JCRR has cooperated with the Chinese Research Institute of Land Economics in carrying out a research project to analyze the effects of farm rent reduction upon the island's rural economy and to determine what changes in the program may be needed.



"CHOPPING", the ancient method of signing (above), seals the contract which reduces rent ceiling from as high as 70 percent to 37.5 percent of the tenant's main crop and guarantees security of tenure for three to five years

MORE FOOD, NEW HOUSES (below) are the direct result of lower rents. Eventually it will also mean more money for better seeds and new farm animals. These benefits contribute toward political stability





FARMER REPRESENTATIVES of 210 village cooperatives elect officers by secret ballot. To avoid control by landowners and village merchants, JCRR required active tenant and farm labor membership as condition of aid

2. Farmers' Organizations.

In mainland China the JCRR found it essential to organize farmers into associations or cooperatives through which the rural people themselves could participate in efforts to improve their lot. New techniques, ideas and methods could most effectively be extended through these organizations.

The organization of tenants in Szechwan province was underway when the JCRR program there ended. Assistance also was given to the work of the Mass Education Movement affecting about 5 million persons in the area around Chungking. There the MEM developed an extensive program of cooperatives linked with "peoples schools" around which rural communities were rebuilt.

On the island of Formosa farmers' associations constitute a traditional means of cooperation. Under the Japanese regime these associations rendered valuable services to farmers in the milling of rice, the marketing of farm products, the purchase of farm supplies, the provision of credit, and the introduction of improved agricultural methods. As a consequence of the war and the change of government in Formosa, however, the farmers' associations became disorganized and their services disintegrated. The Provincial Government, with financial and technical assistance from JCRR, undertook in 1949 a complete reorganization of the farmers' associations. Following a survey, including field inspections, it

was decided to amalgamate the farmers' associations with rural cooperatives. JCRR assistance took the form of financing the training of 300 organizers who were sent out to all of the counties to carry out the reorganization work.

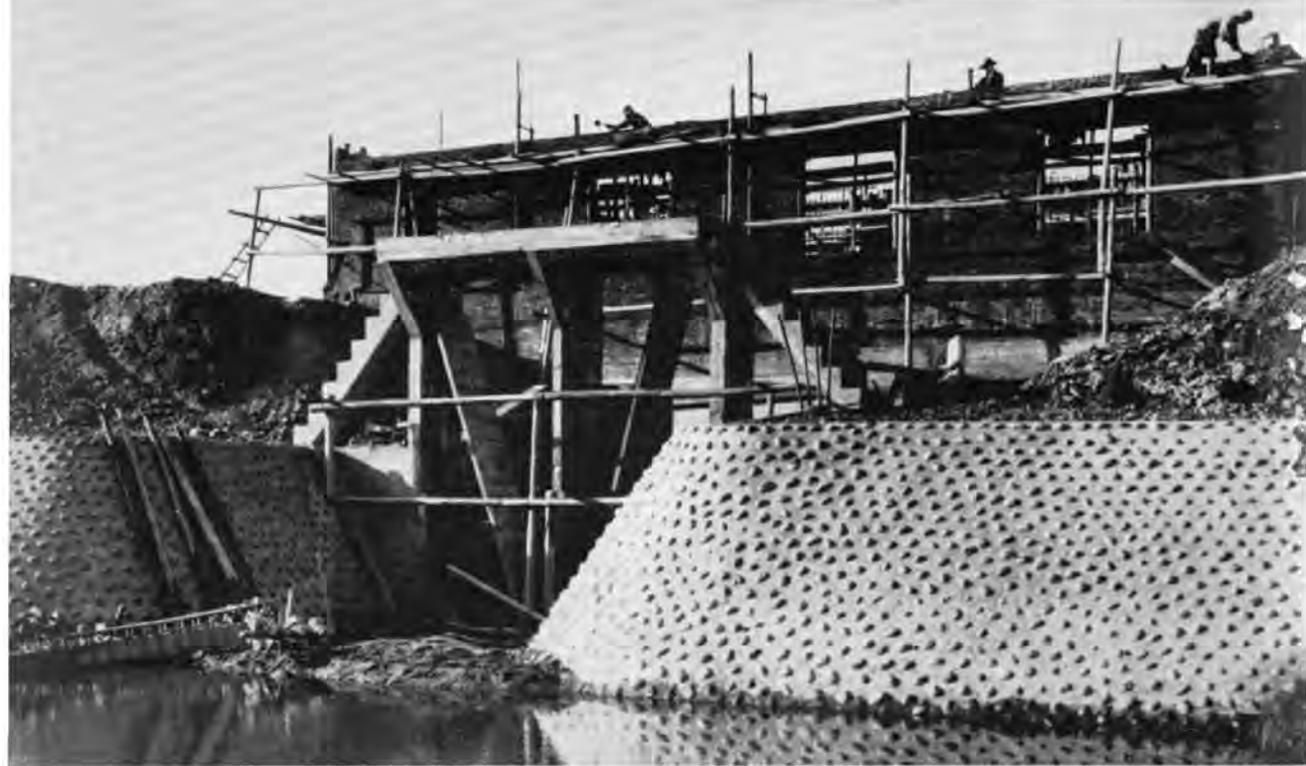
The next task was to train staff members to carry out the functions of the reorganized farmers' associations. In this project JCRR assisted through partially financing the establishing of training centers, the recruiting of competent personnel, the setting up of classes and meetings, the preparing of study materials, and the enlisting of staff members of farmers' associations for attendance at the training classes and meetings. A total of nearly 7,000 trainees attended these courses, which proved highly successful by providing not only expert training, but also forums for expression of the farmers' viewpoints regarding their needs.

Currently, JCRR is assisting farmers' associations to repair warehouses damaged by air-raids during the war or just simply worn out. The repair of these warehouses is necessary in order to carry on their functions of cooperative grading, testing, storing, processing, and marketing of agricultural products.

The farmers' associations are currently being used to distribute ECA-financed fertilizer. It is planned that as their services are strengthened and improved, they will be increasingly utilized in carrying out projects receiving assistance from JCRR.

FARMERS' ASSOCIATIONS on Formosa perform essential services for farmers and government: they collect, process, and store rice, and distribute fertilizers. JCRR helped in major reorganization of associations, contributed financially toward repair of fertilizer mixing plants, rice polishing plants and storage warehouses





IRRIGATION PROJECTS will benefit 177,210 acres. This is one of the 12 JCRR subsidized projects on Formosa. JCRR payments, to cover half of construction costs, total equivalent of \$222,569 in local currency

3. Irrigation.

In most of Asia irrigation is the key to successful cultivation of rice and some important dry land crops. One of the most effective means of increasing production and improving economic conditions of farmers in a relatively short time is to help provide an adequate source of irrigation water—it often makes the difference between one and two crops annually.

Large irrigation projects requiring long periods to complete were avoided. The JCRR usually helped smaller projects that could be completed within eight months or less. As a rule the JCRR provided—sometimes on a loan basis—from one-half to the entire cost of construction. The remaining cost was borne either by local irrigation associations or by government hydraulic bureaus. A staff of engineers was employed by the Commission to investigate project applications and inspect work progress. To date more than 350,000 acres of land have benefited. JCRR also assisted in the repair of dikes protecting nearly 500,000 acres of rice land in the T'ung T'ing Lake "rice bowl" region in central China. It is estimated that this dike repair work alone made possible an annual increase of more than 300,000 tons of milled rice.

In Formosa, about 62 percent of the total cultivated area of the island is under irrigation. All new construction work is under the control of the Provincial Water Conservancy Bureau and its 40 local hydraulic associations. JCRR has given assistance primarily to these government agencies for the purpose of supplementing existing irrigation systems or of completing projects already begun. Most of the JCRR projects have been for the construction of dams, the installation of pumps or the lining of canals. Generally, JCRR has agreed to pay about half the construction costs of the various projects. JCRR engineers

inspect projects regularly, and payments are made according to progress of the work.

4. Agricultural Improvement.

In the JCRR program the two types of agricultural improvement projects most emphasized have been: (1) the control of animal disease, especially rinderpest of cattle and cholera and erysipelas of swine; and (2) the multiplication and distribution of improved varieties of important field crops, particularly rice, wheat, sweet potatoes and cotton.

As a result of research work done in experiment stations throughout China during the past twenty years new varieties of these crops have been developed which can increase yields from 10 to 25 percent. The Nancy Hall sweet potato, imported from the United States, was extended to farmers on the mainland where it increased yields from 50 to 100 percent. The JCRR also stimulated and subsidized extension of other tested and improved varieties of main crops to farmers. This was often accomplished through agricultural experiment stations that had been crippled by the lack of funds.

JCRR technicians and aid grants made possible extensive programs for vaccinating cattle against the deadly rinderpest disease that frequently kills a farmer's only work animal and thereby prevents him from working his fields. On the mainland approximately 80,000 head of water buffalo were vaccinated.

Perhaps the most spectacular animal industry project undertaken by JCRR was assistance to the Formosan Provincial Department of Agriculture in eradicating an outbreak of rinderpest. Serum was supplied from JCRR's Chengtu Office which was then assisting an anti-rinderpest campaign in Szechwan. A veterinary consultant from the United States was employed to help the provincial authorities establish an effective control organization. Financial assistance

RINDERPEST EPIDEMIC, an infectious cattle disease, first in 25 years on Formosa, was stamped out in three months with JCRR aid. Superstitious farmers brought their cattle to control stations for innoculation only after intensive publicity and educational campaign and field demonstrations by control teams



from JCRR to cover food and traveling expenses enabled the government to maintain control teams in the field to make sure that vaccination and quarantine regulations were being observed throughout the island. Due to the combined efforts of all the agencies concerned, the epidemic was completely eradicated within three months.

Partly as a follow-up measure, JCRR undertook to share in financing the building of isolation quarters at the two principal ports of Formosa so as to prevent the importation of animal disease. The Commission's animal industry program has also included support to an extensive field demonstration program for the control of hog cholera and erysipelas, production of the new crystal violet hog cholera vaccine at two centers, the establishment of an animal disease diagnosis organization, control of Surra disease in cattle, and two livestock improvement projects. One of the latter projects included the importation of 365 Berkshire hogs from Japan to improve the quality of hogs on Formosa. The Commission underwrote the expenses of the purchase and shipment of the hogs, with the Provincial Department of Agriculture assuming responsibility for their care after arrival.

The multiplication and distribution of improved varieties of seeds of important field crops has also been aided in Formosa by JCRR through provision of subsidies for projects on rice, wheat, jute, ambari hemp, vegetables, Assam tea, pineapple and citrus seedlings.

JCRR allotted funds to the China Silk Corporation for the purpose of developing sericulture in Formosa. The industry had been neglected during the war and was in very poor condition. Through a program of multiplying mulberry seedlings and producing egg-sheets of improved varieties of silkworms and distributing them to farmers, of training farmers in scientific methods of rearing, cocooning, and reeling of silk, and of carrying out breeding of silkworms and selecting superior breeds for further improvement, the China Silk Corporation succeeded over a period of a few months in increasing farmers' cocoon production four-fold, the number of mulberry trees tenfold, the price of cocoons almost two-and-a-half times in terms of rice, and the income from raising each egg-sheet nearly tenfold in terms of rice.

An extensive crop pest control program is being carried out in cooperation with the Provincial Department of Agriculture through local farmers' associations. Under the project, the government contributes certain pesticides and equipment, while JCRR supplies travel and transportation expenses, DDT powder, dusters, and other equipment which it already has in stock. In this connection, JCRR has financed the construction of a small plant for manufacturing rotenone emulsion for use in pest control.

JCRR has been delegated the responsibility for supervising the distribution and end-use of ECA-financed fertilizer imports into Formosa. To carry out this responsibility, JCRR has paid the salaries and traveling expenses of inspectors who follow the distribution process and see that it is carried out in accordance with agreements between ECA and the Provincial Government.



SWINE are hybrid from Formosan sow crossed with a pure-bred Berkshire imported from Japan by JCRR. JCRR also helped improve quality of work animals



RICE is tested at Formosan experiment station. JCRR financed trials of horai rice and best native varieties, subsidized extension of improved seed.

JUTE PLANT development on Formosa included JCRR assistance with multiplication and extension of improved seeds. Jute is used for manufacture of packaging materials such as sacking

FERTILIZER IMPORTS were major factor in production of one of Formosa's largest rice crops. Over 200,000 long tons had been delivered in 1½ years by ECA, distribution supervised by JCRR





TUBERCULOSIS control was extended by Formosan Public Health Administration to include primary and middle schools with JCRR aid. Drugs, such as anti-TB toxin, were provided through U. S. aid

5. Rural Health.

Rural people in China suffer from many diseases as a result of poor food, poor housing, and unsanitary living conditions. They rarely have access to modern medical facilities. To improve the farmer's production it is also necessary to increase his strength and that requires the institution of public health programs. The problem has challenged the ingenuity of medical leaders for several decades, principally because of the shortage of trained personnel and the Chinese farmer's ignorance and inability to pay large sums for medical services.

The JCRR rural health program stressed disease prevention rather than curative work. One of the most promising efforts was made through inadequately financed but numerous county health bureaus and their sub-stations. These centers were encouraged with grants of simple medical supplies and small subsidies to set up self-supporting elementary public health services controlled by local people. Additional assistance was given to centers where clinical services showed a marked improvement or where traveling clinics were established.

In Formosa the first and major project undertaken was assistance to the rehabilitation of 77 rural water supply plants, scattered throughout the island, which were established under the Japanese regime but which had sunk into a

state of disrepair during the war. JCRR has made advances to the Provincial Department of Reconstruction for labor, transportation, and other expenses in connection with these repair projects. Almost 200,000 persons in rural areas have been benefited from this program alone.

Other JCRR rural health projects include training programs for rural public health nurses and midwives, strengthening rural health centers, malaria control, and demonstration projects in rural areas. In the field of malaria control, JCRR assistance has been given to the Provincial Malaria Research Institute to carry on the work initiated by the Rockefeller Foundation in 1946. Withdrawal of support by the Foundation at the end of 1949 would have caused cessation of the activities of the Institute and loss of all the gains thus far made, had not JCRR stepped into the breach and furnished financial support.

Upon completion of a JCRR-financed survey of rural health centers to determine the specific needs of each, the Provincial Health Bureau agreed to establish, in conjunction with local governments, a special health board to control the granting of ECA medical supplies and JCRR assistance for each of the centers to be strengthened.

HEALTH CENTERS IN RURAL AREAS set up and run by nurses and midwives, trained at JCRR-subsidized schools, treat patients, advise expectant mothers, encourage preventive medicine, good sanitation





JCRR POSTERS put up by mobile clinic explain to villagers malaria control and treatment for worms

6. Information and Education.

Mass education is the necessary channel for arousing cooperation, understanding and enthusiasm for the adoption and use of new and better farm methods and rural development ideas in Asia.

A broad information and audio-visual education program is well adapted to this need. The JCRR program has used wall newspapers in simple Chinese, pamphlets, film strips, comic books and posters in addition to the more routine media of press and radio. JCRR editors, artists and photographers work in close cooperation with specialists and sponsoring agencies in the field to produce materials that spark a response among the farmers.

Financing of the JCRR Program

As stated earlier, the legislation authorizing the establishment of JCRR provided that up to 10% of the \$275 million appropriated for economic aid to China, or its equivalent in local currency proceeds from the sale of ECA aid

WALL NEWSPAPERS and pictorial reports on progress of rural reconstruction projects are prepared by JCRR artists and posted in cities and rural centers throughout Formosa. This work done at JCRR headquarters includes training aids and promotional material for all projects



commodities, could be used to finance the program of JCRR. In practice, aside from dollar expenditures for salaries and travel of the American staff, for small quantities of equipment procured from the United States, and for emergency purposes during a period on the mainland when local currency was exceedingly difficult to obtain, the JCRR program has been financed primarily out of local currency funds.

As of the end of September 1950, the program of JCRR had cost the equivalent of about \$7.5 million, including program, operational, and administrative expenses. Following is a breakdown by major program categories of the JCRR expenditures on projects in mainland China and in Formosa.

Summary Statement of JCRR Project Expenditures as of September 30, 1950

I. MAINLAND

A. By Project Category

<i>Project Category</i>	<i>Amount</i> (thousand U.S. dollars)
Agricultural Improvement ¹	522
Farmers' Organizations	151
Irrigation	1483
Rural Health	86
Citizenship Education	868
Land Tenure Reform	294
Rural Industries	34
Grand Total	3438

B. By Provinces

<i>Province</i>	<i>Amount</i> (thousand U.S. dollars)
Chekiang	61
Fukien	56
Hunan	931
Kiangsu	91
Kwangsi	236
Kwangtung	262
Kweichow	19
Ningshia	106
Sinkiang	4
Szechwan	1662
Miscellaneous	10
	3438

¹ Includes projects in animal husbandry, seed multiplication and distribution, rehabilitation of farm equipment, and control of crop pests.

II. FORMOSA

<i>Project Category</i>	<i>Amount</i> (thousand U.S. dollars)
Agricultural Improvement ¹	864
Farmers' Organizations	175
Irrigation	134
Rural Health	407
Land Tenure Reform	119
ECA Fertilizer Distribution Inspection	80
Audio-Visual Education	20
Grand total, all projects.....	1799

Looking Ahead

One of the outstanding virtues of JCRR, and one of the chief reasons why its experience is so valuable to us today, is that although it has approached the problem of rural reconstruction with a wealth of experience and knowledge, it has never approached it with fixed ideas. Rather it has maintained objectivity and perspective with regard to its activities, has subjected these activities to continuous review and criticism, and has revised and expanded its approach according to its maturing judgment.

The members of the JCRR would be the last to claim they had found the final answers to the problems of reconstruction in Asia. On the contrary, they feel that they are only beginning to see the true dimensions of the problem and the remedial action needed.

For example, having witnessed the beneficial consequences of limited land tenure reform in building political and social stability, the JCRR is considering other ways in which it might appropriately promote "good government" as it affects the rural masses. It is convinced that good government is demanded increasingly by the people in every country, and that no established authority will long endure unless it provides it. It is convinced that "good government" as it affects the rural population cannot be effected unless adequate attention is paid to problems such as these:

1. An antiquated and inequitable taxation system.
2. Excessively high interest rates and inadequate credit facilities.
3. The lack of price and export policies governing important agricultural products and their relation to prices of industrial products.
4. Weaknesses in the farmers' associations, which in general show a pre-occupation with activities carried on mainly for profit, leaving unattended service activities such as the cooperative marketing of rice, the provision of credit, and the cooperative purchase of farm and household supplies.
5. Scarcity of local leaders knowledgeable in solutions to rural farm problems.
6. Weaknesses and wastes in government programs affecting farmers.

The JCRR is therefore moving rapidly in the direction of expanding its

¹ Includes projects in animal husbandry, seed multiplication and distribution, rehabilitation of farm equipment, and control of crop pests.

activities to include assistance to the government in procuring specialists for study of Formosan problems in the foregoing field and in carrying out feasible projects suggested by such studies. JCRR also feels that it should play a more important role in encouraging the government to establish and carry out needed agricultural programs along essential lines and in reviewing the present program, budget and staff of the agencies with which JCRR is cooperating with a view to improving their effectiveness and their integration with the government's total activities.

JCRR Lessons for Other Countries of Asia

A. Observations of Raymond T. Moyer, American Member of JCRR

The extent to which JCRR experience is applicable elsewhere in Asia needs to be determined in the light of conditions existing in each country. By and large, however, it would seem that something similar to the JCRR type program deserves serious consideration in any country in Asia where the population is predominantly rural and where rural people live in unrelieved poverty.

In my view the JCRR experience suggests the following to those who are concerned with rural reconstruction in Asia :

1. Urgency

In mainland China the JCRR program was an eleventh-hour program. It was too late—too late to realize objectives that were hoped for and the full accomplishment of what might have been possible had the program been started two or three years earlier. Such a program cannot produce results overnight. To be effective a rural program must be implemented before serious economic deterioration has taken place, before people lose confidence in the intentions and ability of their governments to solve their problems, and before they become possessed with a feeling of hopelessness and apathy concerning their future.

2. The Outlines of a Suggested Program

The JCRR experience suggests that three broad points ought to be considered in future programs. Together, I feel, they represent an effort which, if energetically pursued, would have the best possibility of insuring success.

a. The Program Content.

One objective around which the program generally should be built is the increase of agricultural production so that people may be better fed, better clothed and better housed. This is an obvious essential. However, increased agricultural production alone is not sufficient. For instance, it does nothing about the distribution of crop returns between landlord and tenant; it does not help solve rural health problems; it does not assure a just collection of taxes.

A second specific objective of the program, therefore, must be to improve the living conditions of the people. This improvement will be achieved to some extent by action which increases production or otherwise brings improvement in overall economic and political conditions. But such efforts often leave untouched serious problems acutely felt by rural people, which to them are their real problems. To meet these "felt needs" requires specific planning and action. In the JCRR pattern, some of the most important of these were dealt with. What is important will vary in different countries. The principle is to determine and act on problems which the rural people themselves feel and recognize to be their problems.

The definition of the precise things that need doing in any country in order to improve their living conditions can often be determined best by talking with farmers themselves. Talks with farmers, and with other people who understand and are sympathetic with farmers' problems, will quickly reveal the kind of action to which the farmer will respond.

I feel that special attention should be called to the problem of farm tenancy. This problem does not exist in a serious form in all countries; but where there is a dense population and a limited area of desirable land, this problem is almost inevitable, for tenants bid against each other for the privilege of renting land. Without any protection from the government, they are forced to accept any terms offered. A tenant farmer may receive some benefits when provided with a new variety of rice that will increase his yields; but if an undue share of the yield goes to the landlord the increased production widens the gulf separating the two groups, and builds up pressures that could be all the more explosive in the end.

There is an inclination on the part of some people to consider a program improving land tenure conditions by Government intervention to be radical and suspect. In reality, it presents a type of action which in these days is considered necessary by nearly all enlightened governments. In the United States, a close parallel is found in problems existing in the relation between management and labor. Some forty years ago, American labor had to take whatever management saw fit to provide. Sometimes wages and working conditions were reasonable; often they simply reflected the least that management felt compelled to provide under an unrestricted operation of the law of supply and demand. The problem of tenant farmers is the more serious because they have extremely small farms, usually not more than three or four acres. No matter how just the terms, when returns on so small an acreage are divided between two parties the tenant is left with only a marginal living.

In an attempt to protect labor, our own government has seen fit to intervene in this situation and enact legislation designed to regulate relations between management and labor, and to guarantee to labor certain minimum standards in working conditions and wages. Until countries of Asia similarly enact and enforce legislation protecting reasonable rights of the large proportion of their citizens who are tenant farmers, they remain highly vulnerable and they fight under great odds against Communist domination.

b. A Slogan.

The program should center around a slogan, some pithy wording that points up the essence of the aim. The Soviet Union, in its earlier days, gained a psychological advantage by announcing its "Five Year Plan." The JCRR Program in Kwangsi Province was announced as a "Movement for Protecting Farmers." With a catch phrase before the people, they are more conscious that something specific is being done, and as a result the psychological value of the efforts being made is greatly increased. Then, an isolated project in malaria control or in irrigation, or a program of land rent reduction or for the control of rinderpest becomes simply one element in a much larger effort which the government is undertaking for the benefit of the people, and to which it can point.

c. Promotion by Audio-Visual Education.

A vigorous effort should be organized to promote the program with audio-visual educational means. Subjects with which this educational program might deal include: the acceptance and correct use of practices promoted in the program; basic information related to these practices which farmers should be taught; the intentions and plans of the government to improve conditions, as demonstrated in this program; and information on citizenship education which will help rural people comprehend more intelligently what is going on around them, and the part they can play in improving conditions. With a vigorous educational effort advancing the development of the program, I believe that its chances of success become very greatly increased.

The importance of this audio-visual educational support to the program, in my judgment, would warrant the establishment of a specialized unit, charged with the responsibility of carrying out education by these means on a large scale, which would add motion pictures and the radio to the posters, graphic portfolios, filmstrips and comic books already used in the JCRR program.

3. The Attitude of Interested Governments.

Obviously a program of this kind will not be carried out unless responsible authorities of the country concerned are convinced that it is important. Moreover, they must be determined to do everything possible to see that appropriate action is taken to formulate and carry it out. If the United States assists in such a program, the second government should be willing to accept U.S. cooperation extended in appropriate ways. This is essential and fundamental to success.

Ideally, such cooperation should be based on this principle: That a government exists to serve the people rather than to be served. Such thinking undoubtedly exists to a degree in most Asian countries, and in some countries it may be developed to an extent which provides a sufficient motive for action.

4. American Participation in a Program.

In the event it is decided that the United States is to give assistance to such a rural reconstruction program, what should be the form of that assistance, and what arrangement between the United States and the second country should be established to make this assistance available?

The importance of technical assistance, as one form of aid in such a program, is well recognized. In my experience, however, the knowledge needed in most of these countries extends beyond what can be supplied by a specialist working on a specific problem. Experience in planning whole programs and in organizing to carry them out is equally needed, and this should form a part of the technical assistance provided.

In many countries, as in China, however, some form of financial assistance may also be important, to supplement local resources available for such a program.

Another important question is the nature of the relationship between the United States and the country receiving aid. In the case of the JCRP program, a Joint Commission was set up with broad authority under the general direction and control of the ECA Administrator to formulate and carry out the program. In this Joint Commission no sharp distinction was drawn on national lines. Each side brought to the problems of the Commission its own knowledge and experience. All members of the Commission and many others participating in its work feel certain that its program, which included the enforcement of laws and the establishment of activities affecting local institutions and economic practices, could not have been possible except on a joint basis. Probably some countries would not welcome such United States participation. Neither do I think it always would be necessary. But if the United States participates, the essentials of a joint approach, even if not a joint organization, are necessary.

This approach requires standards in the selection of personnel which I realize may be difficult to attain. It means the selection of persons not only competent in their own particular field of specialization but familiar with conditions and problems of the second country and capable of working cooperatively with them. Likewise, on the part of the second country, there must be persons who understand the United States, and who are willing to work with Americans. The achievement of this ideal has not been easy, even in China, where there are large numbers of persons, on both sides, having qualifications. An inability to find such persons may in certain instances limit the extent to which the United States can cooperate effectively in carrying out a program of this kind.

5. Is There Still Time?

The JCRP program in mainland China was in the nature of a rear guard action, undertaken in the midst of a situation which progressively deteriorated and finally crumbled. It is appropriate, therefore, to raise the question whether enough time remains in other countries of Asia to accomplish significant results in line with objectives for which a program may be established.

The answer to this question will of course be determined a great deal by the will of the government authorities concerned and their determination to establish such a program. Under ordinary circumstances, where reasonable determination exists, six months might be required to make the first approaches and to set up initial arrangements to act on a program. Another six months might be required to formulate its specific nature, and establish the organization and procedures needed to carry it out. If accompanied by the proper amount of public information to convince farmers someone was interested in their welfare, some psychological effects from this undertaking might be felt within the first year. For example, a program might be initiated with a well-publicized survey on what farmers really want. Practical results, in the rural areas themselves, would not be felt on an appreciable scale before the end of the second year. Three years in most cases would constitute the minimum required before results are evident on a really significant scale. Results achieved in the JCRR program in China, however, encouraged those of us connected with this program to believe that, if it could have been aggressively and steadily promoted, the end of three years would have shown radical improvement in the conditions under which rural people live, including political and social changes of lasting benefit to the country.

B. Observations of Dr. Chiang Mon-lin, Chairman of JCRR

1. It is of basic importance to learn from the farmers and the local people what they want and need—not to teach. We do not know better than they what they need. This development of JCRR thinking has made our program one always dynamic, always learning new things from the farmers themselves. We don't go in with pre-conceived ideas but with an open mind to learn from the people. I think that is a very important factor in the development of the thinking of JCRR Commissioners.

2. It is of basic importance to keep in mind the idea of social justice when striving for the increase of production. Keep in mind first—fair distribution. Unfair distribution caused trouble in the West. Since the industrial revolution in the West greater and greater wealth accumulated but an uneven distribution resulted. Some people now say of China: "It is no good to go into distribution. We Chinese are all as poor as beggars anyhow. Why go among the beggars for the sake of equal division of one bowl of rice—they all will die of starvation." But that isn't the point. Suppose one small bowl of rice is in possession of one beggar. He could live on it and the rest of the beggars would have no rice. They will fight him for a share. But, if you divide among them equally they will all die eventually but they will say, "Comrade, there is justice." In China when we want to increase production we must keep in mind the other side of the picture—distribution.

3. It is of basic importance to find a sponsoring agency to take up our work. There are many things we want to do but we do not do them because of the lack of sponsoring agencies. If there is work to be done but no sponsoring agency

it is easy to create an organization from the top to put the program into effect, but it won't grow. Later with our support gone it will die.

4. In developing a program of rural rehabilitation it is important first to visit the various provinces and talk over with local leaders and farmers their needs and grievances. Next, comparison should be made between the needs of one locality or province with those of other localities or provinces for the purpose of finding out what problems are common to all. In this way a national plan should evolve, a plan that is not a deduction from a preconceived idea but one based on actual findings and observations in the various parts of the country.

5. The time factor is of basic importance in the selection of projects. If it is desired to get the maximum results in the limited space of time, certain kinds of projects are feasible and others are not. For example, the establishment of a rural credit system would take a long time if done properly. One of our reasons for taking up irrigation in Hunan was that there would be an immediate and enormous gain in rice production. Also by repairing the dikes in the T'ung T'ing area we knew we could restore to the people rice product about equivalent to one-third of the amount of rice imported into China before the war.

6. Land reform and irrigation may be regarded as the two major keys to the combination lock of the problems in underdeveloped areas. If these two are combined, the returns will be both spiritual and material. If all the tillers of the soil enjoy the ownership of land with plenty of water, you have already the foundations of peace and prosperity, and upon these solid foundations the edifice of technology and agricultural sciences can be built.

7.-The farmers' organizations, if well developed, will be the over-all agency to carry on rural services and protect their own rights. They will also be a forceful weapon for democracy.

8. Our programs must be accompanied by a social counterpart. Using science to increase production is relatively easy but solving social problems is difficult. If we had not developed a land reform program along with our production programs, the better part of the good results would have gone to the landlords and not the tenants, and that would have defeated our purpose.

Appendix I

Land Reform in Formosa

By Wolf I. Ladejinsky

Reprinted from *Foreign Agriculture*, a publication of the U.S. Department of Agriculture, June 1950

For many generations the tenant farmers of Formosa tilled their small plots of ground under a system of landlordism that charged exorbitant rents and imposed uncertain tenure. But in April 1949 the Provincial Government of the island, with the consent of the Nationalist Government of China, initiated a reform program that cut the rentals to 37.5 percent of the main crop and gave the tenants greater security of tenure.

The future of this program is promising, although there are obstacles to its success: The program itself has some flaws, it is opposed by the landlords, it is not everywhere well enforced, and the drive that supports it comes mainly from outside the ranks of the farmers. But the tenants already feel its benefits and there is a strong possibility that the rent-reduction program will succeed and go far in improving the economic and social conditions of most of the farmers in Formosa.

In September 1949 I visited the island to observe at first hand the conditions that had called for relief, the nature of the program, reactions to its provisions, the extent of its enforcement, and any benefits that might already have appeared. I visited eleven districts, which included every important agricultural region in Formosa. There I talked with landlords, owner farmers, tenants, and local officials. I talked with them in large groups in the village offices and halls, and in small groups or as individuals in the fields, rice mills, fertilizer-distribution stores, wayside eating places and general stores.

At first glance, Formosa appears prosperous. Agriculture is its mainstay; and on its more than two million acres of arable land, rice, sugarcane and citrus fruits are produced in abundance. The people are hard-working, and their carefully tilled fields stretch away on all sides of the west coast of the island. But this look of wealth is illusory. The tenants of Formosa, who constitute two-thirds of the island's people, suffer from undernourishment, disease, and poverty.

Many factors have contributed to these conditions, but the principal one is that Formosa, though to a less degree than other regions of Asia, has too many farmers and not enough land. A total cultivated area of two million acres is worked by 530,000 families, less than four acres per family. As a matter of fact, more than half the farmers cultivate no more than an acre or two.

But it is not only the small holdings that contribute to the low economic standard of the average farmer. It is also the fact that so much of the land in Formosa is owned by so few that the amount of land a farmer cultivates has little relation to the amount he owns. Only about 33 percent of the farmers are owners; 27 percent are part owners and part tenants; and 40 percent are tenants who own no land at all.

The conditions under which this widespread tenancy had operated in Formosa before the days of land reform were onerous.

First, the rents had been far above the level justified by the productivity of the soil. Usual rents had been 55 percent to 60 percent of the crop; but rents as high as 70 percent had not been unknown. And when the tenant's other expenses were included—high-priced fertilizer, seed, and equipment, and the buildings on the land—his total costs had been as much as 75 percent of the crop. He also had had to pay the landlord a large deposit for securing his lease; in some instances it was the equivalent of two years' rent. The deposit alone had been enough to prevent many a farm laborer from becoming a tenant, much less an owner.

The touchstone of a tenancy system is whether a tenant can become an owner. Tenant and landlord both said that the income of the average tenant had been so small that he could not buy the acre or two that he rented. My question to the tenants, "Do you want to buy land?" was often greeted with good-humored laughter. And then they would turn the tables on me and ask how I would buy land with no money. Many tenants told me that even if they had lived twice as long and worked twice as hard, they could not have saved enough to acquire the small plots they farmed.

The second basic flaw in the tenancy system as it has existed in Formosa was the uncertainty of tenure. Where competition for land is as keen as it is there, the right of a tenant to remain on his land is of utmost importance. The life of a written contract between landlord and tenant had been from one to three years, the yearly lease having been the most common; but, written or oral, the lease had afforded little protection. Many complained about the ease with which landlords had cancelled leases in order to get higher rental from others. And rarely had the dispossessed tenants received compensation.

Visits with farmers on their own homesteads revealed the inadequacy of Formosa's farm economy. Such visits bring the economic inequities into sharp focus. A great many of the farmers had little or no rice to carry them from crop to crop; in principal rice-growing districts more than 30 percent of them fell into that category, and in the southernmost part of the island, in the village of Shin-Lin, approximately 70 percent did.

The social and political inequities were just as sharply drawn. Every community in Formosa was divided into two kinds of citizens—first-class and second-class—and the first-class were invariably the landlords. The discrimination showed itself everywhere, in meetings of landlords and tenants, in attitudes of officials, and in the village office. As long as these conditions persisted, it was idle to seek for stability in rural Formosa. What one was likely to find instead was fertile ground for political extremism and civil dissension.

The first aim of the rent-reduction program—to relieve the heavy financial burden of the tenant farmer—is implemented by several provisions but the provision that is most important and basic is the one that puts a maximum limit on rent—37.5 percent of the main crops. Moreover, if the yield is less than 20 percent of normal, the tenant is to be free of rent payment. To determine the

rent due from each holding, the Government has classified all the cultivated acreage into 26 grades and specified a standard yield for each. The deposit fee also has been reduced; it must not be more than one-fourth the annual rent.

Irrigation costs are to be borne by the landlord and tenant together; the landlord will pay special charges, such as for improvement of canals, dams, and pumping facilities; the tenant will pay the ordinary year-in-year-out fees for the use of the water.

The second aim of the program, security of tenure, also expresses itself in a number of provisions. No longer may landlords refuse to renew a lease merely to rerent to another tenant; and they have only a restricted right to dispossess a tenant in order to cultivate the land themselves.

Old contracts are invalidated. The new ones, which must be written and properly registered, must run for at least 3 years and must specify (1) amount of rental, (2) amount of deposit, (3) irrigation fees to be paid by each party, and (4) amount of extra rental due the landlord if he supplies work animals, seed, fertilizer, and other farm equipment.

These, then, are the principal provisions of the rent-reduction program. The body of regulations as a whole is reasonable and adequate. It is the kind of program that the Nationalist Government neglected in China proper, where reform was even more urgently needed than in Formosa.

Governor Chen Cheng had sound reasons for his determination to launch the program and to see it through to successful completion: (1) No society, he told me, can attain economic and political stability so long as it is hopelessly divided into the "have's" and the "have not's"; (2) unless the landlords make concessions, they may have to pay the price demanded of landlords in Communist China; (3) the program would give the peasantry an economic and political stake in their country. Clearly, the lessons drawn from the Nationalists' defeat in China have not been lost on Governor Chen, and he is therefore determined to brook no opposition in carrying out the program.

Immediate benefits of the rent-reduction program were obvious. From the first rice crop, a tenant could keep from 1,000 to 2,000 more catties* of rice than he could under the old rate; and the tenant who raises two rice crops a year will benefit to the extent of 3,000 to 4,000 catties. The significance of this gain cannot be overestimated. A basket of 50-60 catties of rice will supply many a family with food for a week, or it can be exchanged for its weight in the indispensable chemical fertilizer.

Thus the benefits accruing to tenants from the rent reduction are considerable, but only rarely will they be large enough to enable them to buy land. The landlords are willing to sell it—and at 3½ to 4 ounces of gold per acre as against 6 ounces a year ago—but the tenant is not in the market; he cannot scrape together the 4 ounces of gold. In the first six months of the program, tenants bought only 537 acres. In short, the rent-reduction benefits, real though they are, will not go far to gratify the desire of every tenant in Formosa to own the land he farms.

* One catty equals 1.3 pounds.

Generally, reactions of the Formosans to the program were what anyone might have expected: landlords accepted it with greatest reluctance; tenants, with enthusiasm.

For the landlords, this abridgment of their excessive rights constituted a break with a profitable tradition. Only after Governor Chen Cheng had sent a few recalcitrant landlords to jail and thus made it clear that he intended to enforce the new regulations, did the landlords finally bow to the inevitable.

Only for some tenants were there obstacles to a wholehearted acceptance. They had always had a close relationship with their landlords and feared to incur their displeasure. Moreover, they looked critically on all government actions, even on those designed for their benefit; and they will have to be convinced in a very practical way for some time to come that the efforts of the government in their behalf are not Greek gifts. Yet another barrier to the tenants' full cooperation lies in their doubt that the program will "stick" under succeeding governments.

Both groups have specific criticisms of the program. The tenants, recognizing that it does not put ownership of land within their reach, at least not for the time being, are eager to get the next best thing—security of tenure. Everywhere they emphasized that the new contract provided under the program fell short of giving them that security. They insisted that a contract running for only three years was not adequate and wanted it changed to six. Their argument for the extension of the life of the lease is of course unimpeachable—that it would materially heighten their incentive to invest in improving the land and increasing production.

The landlords spoke freely in opposition to the land-grading system on which the 37.5 percent rental is based. In the main, their criticism was justified. They contended that in revising the grading system the Provincial Government had set the standard yields at levels considerably below the actual yields. The result was that in practice many a tenant paid not a 37.5-percent rental but something lower than that, in some instances something closer to 30 percent of the crop.

What the landlords wanted, in effect, was a flexible rent, one that would have to be determined each year, depending on the yield. This procedure would be a cause for dispute between landlord and tenant and, above all, would tend to thwart the tenant's ambition to improve the land and increase production. A more satisfactory answer would seem to be a fair adjustment of land grades and standard yields, with periodic revisions approximately every five or ten years. The Government recognizes this shortcoming of the program and plans to provide for its correction.

At the time of my visit, the program had been operating for only five months, and it was far too early to determine whether all provisions were being carried out; but the first rice crop had already been harvested, and one could determine the answer to the most important question: were tenants paying the 37.5 percent rental rate or the old one?

There was evidence that almost all were complying with that provision. There were exceptions, however. Seldom did anyone admit that he was not paying the new rate, but all knew about tenants who were not. Other evasions included illegal disposition of tenants; failure to negotiate new contracts; changes in the wording of the contract; advanced payment of rent; and irregularities in the paying of water fees, assigning correct yields, calculating rentals. Some of the evasions, like dispossession, were by the landlords alone; others, like exaction of black-market rent, were by the landlords and the tenants. But in the face of the deeply rooted tradition of landlordism, these deviations were not surprising; and it was encouraging to find that they did not occur often enough to constitute a threat to the program's success, or even a serious impediment to its progress.

Not all the faults of the program are intrinsic in the program itself. Some weakness may be imputed to the fact that though the program was designed for the benefit of the great masses of people, it is being carried on without their participation. Authors of the reform had provided for rent campaign committees, composed of landlords, tenants, owner-cultivators, school principals, village heads, police officials, and others, in order to facilitate enforcement. But these committees were mere paper organizations. In village after village I found that they seldom met, that instead the execution of the program was dependent entirely on the drive of the Government. Had the committees been active, they could have been a great boon not only for the immediate purpose for which they had been formed but also for the economic, political and social welfare of the community. The Land Commissions of Japan, which were created to administer the Japanese land reform and which developed a form of adult education and new village leadership among the tenants, are an excellent example of what could be accomplished in Formosa. Without some such participation of the people it is rather difficult to change the customary conduct of village affairs and the customary ways of thinking about them.

There are certain agricultural problems, such as farm credit and the services of cooperatives and experiment stations, that are not touched upon by the Formosan rent-reduction program. These are the things that were largely responsible for the development of the island's agriculture under the Japanese, and Formosan farmers keenly feel the lack of them now. Under the Japanese, the credit system was part and parcel of a widespread cooperative network that disseminated agricultural knowledge, distributed fertilizer, and supplied farm credit. It enabled a farmer to secure a loan at a reasonable interest rate. But now there is no credit system of any consequence. Securing credit means borrowing from private individuals at interest rates ranging from 150 to 200 percent.

But that is not to say that the need for these services is being ignored in Formosa. On the contrary, the Joint Commission on Rural Reconstruction (JCRR) is concerned with the problems of agricultural services to farmers. A good example of what is being accomplished along these lines is the marked improvement in the fertilizer supply, a matter of utmost importance to the Formosan farmer.

JCRR is concerned with the reorganization of the farm cooperatives, which played a vital role in the agricultural economy of Formosa in the past. If the burdens of indebtedness and usury are to be avoided and if the farmers are to engage in marketing activities on a more sound basis, good credit and cooperative systems must somehow be provided. These, in addition to the technical improvements that are being effected by JCRR in Formosa, are the sureties that will enable an industrious and efficient tenant to maintain his newly acquired gains.

The role of JCRR in initiating the rent-reduction program was an important one. It gave technical advice, as well as financial assistance for such activities as printing new contracts and paying salaries of registrars and supervisors for a limited period of time. Had JCRR aid been lacking, the program would not have gone so far as it has, either quantitatively or qualitatively. Without this aid it is not likely that so many new contracts would have been drawn up or that so many tenants would have paid rents on the new basis. Although during the period under consideration the amount of money spent by JCRR for the rent-reduction program was only \$30,000, it is no exaggeration to say that approximately 300,000 farm families benefited from the expenditure—a demonstration of how much can be accomplished with a little money when it is judiciously spent.

Such, in the main, were my observations of the rent-reduction program in September 1949. It came into being because the need for it was deeply rooted in the rural conditions of the island. No observer of the program can fail to notice some of its shortcomings, but these do not constitute insuperable problems. Even the most serious of them, such as the land-grading system, can be solved, though it is doubtful that the opposition of the landlords will ever be completely overcome.

As land reform programs go, the one in Formosa may well be placed in the category of mild ones. But even the mildest of programs would have called for a reduction in the income of the landlords. In no other way can the standard of living of the Formosan tenants be raised dramatically and quickly. Nor has the government any other means of securing the political support of the tenants and achieving the kind of stability from which the landlords themselves stand to gain most—the preservation of their lives and property. The fact that there is opposition, therefore, is no argument against land reform so long as the need for it is urgent and the program is not confiscatory—two conditions that apply in Formosa.

Cover (front and back) Formosan (Taiwanese) farmers weeding rice paddies.
Inside front cover and page 1 rural scene on Formosa

Photographs taken by Horace Bristol for ECA except JCRR staff photos on
page 7 lower right; pages 16, 17, 18, 20, 21, 25 left, 26 top