

China's leaders fear revolt by peasantry

by Mary Burdman

The attention of all China was turned to agriculture and the plight of her 900 million peasants the week of Oct. 18. The leadership convoked a four-day conference in Beijing, bringing in most of the national hierarchy of the Communist Party (CP) and government, and also of every province, region, and municipality. In his opening speech, Chinese President and CP head Jiang Zemin warned of the many emerging problems, and said, "Their solution has a direct bearing not only on the rural areas but is also related to the stability and prosperity of the whole country." Despite the fact that, as Jiang proclaimed, agriculture remains the "foundation of the national economy," agriculture is at a disadvantage in the fight for economic resources and in market competition, he said.

Beijing is now paying for the Deng Xiaoping "reforms," which were launched in 1978. While the breaking up of the Maoist communes and giving peasant families responsibility for production on individual plots of land had the immediate effect of increasing agricultural production, nothing was done to sustain it. The lack of investment in infrastructure, rising prices of farm supplies, and the brutalization of the peasantry, the vast majority of whom have, at best, three to four years' education, are taking their toll. Agricultural production is falling, something very dangerous in a country whose population grows by 12-15 million people every year.

"Top leaders at all levels of government must personally take charge of agriculture and rural works," Jiang announced. Every leader must spend one to three months a year in the countryside; former President Yang Shangkun, according to French press reports, has already been sent out to make a tour and report for the party Central Committee. Jiang cautioned those party members who "believe that the market economy means to abandon agriculture." Jiang said that "grassroots" government and party organizations had once played an important role in the development of the countryside but had become "slack" in the last decade, and he called for reestablishing them in the next five years. Jiang presented the ever-worsening economic spiral of Chinese agriculture: In recent years, it has clearly lagged behind the fast-growing industrial sector, causing profits to fall. Farmers became unwilling to grow grain and cotton, and, in some places, peasants were even leaving the land uncultivated. Investment in agriculture has been steadily decreasing, making it the "most vulnerable link in the national economy."

All this was very public in China. In an editorial Oct.

18, the *People's Daily* announced that China's 900 million peasants are being "neglected." It has been years since the party's top bodies have specially convened to deal with the peasants' problems, the "strategic problem upon which the fate of the regime depends," the *People's Daily* wrote.

Western observers reported that, in contrast to the usual homage to the governments' achievements, TV news Oct. 18 dedicated itself to this self-critical meeting. During the entire week, TV programs have focused on the peasantry and their contribution to the country.

There is widespread unrest in China's hinterlands, and peasant revolts have brought down many regimes in Chinese history. The CP leadership knows all too well that unless they can do something to improve the lives of the peasantry, they themselves cannot retain power. In 1992, there were about 200 incidents of demonstrations or uprisings by peasantry, mostly in the interior. Already in the first nine months of this year, there have been 300-400 such cases, especially in Sichuan province.

On Oct. 10, Minister of Agriculture Liu Jiang warned that the peasants are very discontented, and the excessive tax and economic burden is leading to violence. Liu said that farmers' income has "tumbled" in recent years, and in some areas, the more grain farmers produce, the "more they lose due to official mismanagement and the current irrational economic structure. . . . Some departments and local authorities have taken advantage of the transition of economic reforms to bleed farmers." Liu stated that "in many places the burden has become unbearable, and so agricultural production is seriously affected." The National People's Congress Standing Committee passed China's first Agricultural Law in July, to enable farmers and rural organizations to protect themselves from illegal levies and duties. But Liu said that the problem is "unresolved" and some local authorities continue to tax farmers illegally.

Urban-rural gap

In his speech, Jiang Zemin warned that China is in a critical period because the gap between peasants' incomes and those of city dwellers is as big as it was before 1978, when the first reforms were made. Jiang warned that the gap in incomes would widen, and that this would have a serious impact on stability. One of the main causes of this, is that over the past several years, the government has been so strapped for cash that it could not pay farmers for their grain, giving them worthless "IOUs" instead. Although for the past months, one official after another has proclaimed that it is "a matter of national importance" for China to pay farmers in cash this year, provinces are already far short of the funds they need.

In mid-September, the *Economic Daily* reported that a widening gap between China's rural and urban areas is "imminent." The some 150 million rural laborers flooding China's towns and cities, "will inevitably exacerbate stagnation

of China's agriculture," the paper warned.

At the same time, they cannot find work. Rural-based enterprises, which employ about 100 million people, absorbed another 3 million "surplus" farmers in the first six months of 1993. Yet the number of unemployed peasants is at least 200 million at present, and the government itself predicts that number could double by the year 2000. "The reemergence of the economic gap between urban and rural areas will hinder industrial development in the next century," the *Economic Daily* wrote.

The scale of poverty among China's peasants demonstrates why industrialization will be "hindered." The *People's Daily* on Oct. 12 reported that there are 80 million poor in China—which means an *annual* income of approximately \$50. Peasants' average annual income last year was 784 yuan, or \$135. There are still 160 million homes without running water or electricity.

Lower production

On Oct. 10, Agriculture Vice Minister Wu Yixia announced that the grain harvest this autumn will show a slight decrease from last year, but, attempting to be optimistic, asserted that the harvest will be better than officials had predicted at the start of 1993, *China Daily* reported. Officials had predicted a drop of 10-15 million tons in grain production this autumn, mainly in rice and maize, which was 339 million

tons last year. Grain production has been hit by many problems, including rising production costs, financial levies on farmers, falling grain acreage, and natural disasters. Grain acreage will drop only 0.4% or 480,000 hectares from last year, although officials had feared the decrease in acreage would be 1.66 million hectares. The amount of cultivated land has actually *decreased* from 107 million hectares in 1949 to 93 million hectares now, while rural laborers have increased from 170 million to 379 million.

An official said that "it is possible that the current expected grain yield this autumn will be only slightly less than, or even the same as, last year." But this is unlikely, since early rice production had already shrunk compared to 1992, which the official attributed to the declining amount of farmland and the floods, droughts, and other disasters which hit 15 provinces and regions. As of Oct. 20, "millions" of farmers were being mobilized to fight drought hitting 5.6 million hectares in north China, the major wheat-producing area. The drought, which follows severe flooding earlier, could affect more than one-third of China's winter wheat production, officials said. The autumn grain harvest is 75% of China's annual grain output, which was 442.6 million tons last year.

But lower production is only part of the problem. Most grain is of such low quality that farmers cannot sell it. Despite big crops, every year, China has to import quality grain, including rice, barley, and wheat.



Why U.N. plans for world government must be stopped

a new special report from *Executive Intelligence Review*

\$250

with authoritative case studies of
**Iraq, Cambodia, El Salvador, Somalia,
and the former Yugoslavia**

- 240 pages
- maps
- charts
- illustrations

Make checks payable to:

EIR News Service, Inc.

P.O. Box 17390 Washington, D.C. 20041-0390