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LAND REFORM IN TAIWAN

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INTRODUCTION

The successful record of land reform in Taiwan has drawn the attention of the world.

To the countries in southeast Asia and other under-developed countries, the effort in Taiwan has brought them an encouragement that land reform could be accomplished to solve the socio-economic problem rooted in land which has troubled China for many centuries - without having to follow the path offered by communism.

This dissertation is intended to make a historical and comprehensive study of the land reform in Taiwan. The approach will be one involving a survey of the historical development and an analysis of the vital statistics of the land reform program. In other words, an examination of the cause, the procedure and the consequences of this endeavour. The final objective of the dissertation is to examine the extent to which the land reform program has achieved its original purposes.

The thesis is arranged in four chapters. Chapter I surveys the origin and historical development of the Chinese Land Reform Movement, the conditions of land distribution in the rural areas in Taiwan, and finally the reasons for the implementation of this policy. Chapter II deals with the ac-

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tual policies and procedure in implementing this program. Chapter III discusses the effects the Land Reform Program has had upon the countryside in Taiwan and its effects upon Taiwan's economy as a whole. The limitations and demerits of the Land Reform Program will be discussed in Chapter IV.

The relevant laws, regulations, are given in the Appendix.

It should be noted here that the gathering of statistical and other relevant data has not been easy, especially due to the fact that the Joint Committee of Rural Reconstruction and the Government have shifted their attention to such problems as how to increase production since the program has been implemented. Data concerning land reform in recent years is almost unavailable. However, despite the fact that the dissertation has its emphasis on the history of land reform, as much relevant material as can be gathered has been used.

CHAPTER I

HISTORICAL BACKGROUND OF CHINESE LAND REFORM

1. The Land Problem and Land Reform in Taiwan

In China, where arable land is limited and where population pressure has been strong most of the time, large land holdings possessed by relatively few landlords have been the main obstacle in solving agricultural difficulties. Agricultural problems are indeed many and may be discussed under two main headings, namely, natural and man-made. The natural problems of agriculture include limited fertile land and population pressure, insufficient rainfall, poor varieties of plants, uncontrolled animal diseases, lack of conservation of land fertility, poor transportation and others. Man-made problems include unstable government, absentee land-ownership, a wasteful system of tenancy, backward farm credit and banking facilities and high interest rates on farm loans, an uneconomic system of small size farms, lack of agriculture knowledge and insufficient cooperative planning among farmers. While natural agriculture problems can only be solved by scientific and technological improvement, most of the other problems must be solved or alleviated by political, administrative and economic measures. The most important

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of these measures is the proper distribution of land ownership.

The traditional system of land ownership, even though only partially satisfactory to the agricultural populace did contribute to general economic prosperity, since it brought about relatively higher income. This higher income made possible saving, which could be diverted to investment in handicrafts, industry and commerce. General economic prosperity in turn ensured social stability and tranquility. Unfortunately, however, this social stability was frequently interrupted by an irrational concentration of land in the hands of a few rich people.

Although some changes had occurred since the "opening of China" by the Western countries in the 1840's, and many traditional institutions were more or less done away with or profoundly shaken after the 1911 Revolution, the intimate relations between land ownership and politics was one of the traditional problems which remained basically unchanged. The successful exploitation of this difficulty was one of the main forces that helped the Communists gain power in China.

It was only after the Chinese National Government

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withdrew to the Island of Taiwan that it began to take full-scale and effective measures to implement a land reform programme based on the principles of Dr. Sun Yat-sen, the founding father of the Republic of China. However, prior to the National Government's land reform in Taiwan, a Land Rent Reduction programme was tried out in the early 1940's in the Province of Hupeh on Mainland China with considerable success. This successful pioneering effort served as a great encouragement for the government to carry out a programme which was much more far-reaching and effective in dealing with the agrarian problems later in Taiwan, namely the Land-to-the-Tiller Programme. Since Sun Yat-sen's ideas and principles are the ideological foundation of the reform programmes, it is proposed that these ideas and principles be examined in the following section.

2. Dr. Sun Yat-sen's Theory of Land Reform

Dr. Sun Yat-sen, the founder of the Chinese Republic more than half a century ago, must have seen

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this clearly when he expounded this theory of limitation of land ownership as one of his four planks of the political platform. To this was added the programme of Land-to-the-Tiller, in 1942. Political objectives, however, were not the only reasons why Dr. Sun advocated his theory. Brought up from peasant stock and greatly influenced by the Chinese Confucian humanist tradition as well as western ideas of democracy and economic welfare, Dr. Sun was genuinely sympathetic towards the peasants and was convinced of the peasant's right to ownership of land which they till. He believed that they should be entitled to enjoy the fruit of their labour. Equalization of land ownership among the peasants, together with other complementary political, economic and legal measures, as he saw it, could bring justice to the peasants as well as prosperity and stability to the country as a whole. He declared this in many of his public speeches and in the Three Principles of the People:

....A large majority of the people in China are peasants, at least nine out of every ten, yet the food which they raise with such wearisome labour is mostly taken away by the landowners.

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What they themselves can keep is barely sufficient to keep them alive. This is a most unjust situation. If we are to increase the production of food, we must make laws regarding the rights and interests of the farmers; we must give them encouragement and protection and allow them to keep more of a larger share in their harvests. These are questions related to the equalization of land ownership...when the Minsheng (livelihood) Principle is fully realized and the problems of the farmers are all solved, each tiller of the soil will possess his own fields -- that is to be the final fruit of our efforts.¹

Dr. Sun's theory of land reform programme was however, no innovation. What he did was merely to blend the old Confucian ideals with some western economic theories. The salient features of his programme were limitation of individual land ownership, a single unitary land tax and public or state appropriation of all unearned increment of land value.

The first, limitation of individual land holding, originated from the thinking of some Confucian scholar-officials,² who, opposing the conception of

¹Sun Yat-sen, San Min Chu I: The Three Principles of the People (Chungking, China: Ministry of Information of the Republic of China, 1943), pp. 455-457.

²Scholars of the Confucian school practically had a monopoly of important government positions for almost 2000 years in China.

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crown or state land ownership, were in favour of private but limited equal individual possession of land. According to the thought of this school, all land should be distributed among the peasants in accordance with the number of household members as well as with the qualities of the land. The first one to advocate this was Tung Chung-shu, a contemporary of Emperor Wu (140-86 B.C.) of the Han Dynasty. Tung once observed:

"Though the ancient system of common cultivation (i.e., the Ching-tien system³) could not be revived overnight, we should try to follow the ancient ways as much as possible. Let us set a limit to the amount of land an individual may own, give the excess land to those who really need it, and put a stop to the concentration of landownership in the hand of a few."

Unfortunately, he did not work out any concrete measures for the realization of his ideal.

Later on, Hsun Yueh of the Eastern Han Dynasty

³Under the Ching-tien system in ancient China, according to Mencius, every 900 mow of land was divided into nine tracts of 100 mow each like this pattern. Eight farm families, to each of which the government gave one of the outer tracts to till for itself, in return co-operated to till the ninth and centrally located tract for the government. It has been called the Ching-tien system, because this pattern looks like the Chinese # for a well (ching). Tien means field(s).

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(220-250 A.D.), Su Hsun of the Sung Dynasty (960-1279 A.D.), Chao Tien-lin and Cheng Chieh-fu of the Yuan Dynasty (1279-1368 A.D.), Liu Tung-sheng of the Ming Dynasty (1368-1644 A.D.), and Ku Tsung of the Tsing Dynasty (1644-1911 A.D.) all advocated the limitation of land ownership in one way or another. It is obvious that Dr. Sun had been much influenced by this school of thought.

The second feature, that of one single unitary land tax, was borrowed from the well-known theory of the American economist Henry George.⁴

The third feature, the theory that all unearned increment in the value of the land should go to the public was from the great British liberal John Stuart Mill.⁵ The dominant spirit of Dr. Sun's theory was that of moderation. All landowners according to his policy were required to report to the Government the amount of land they possessed together with their own assessment

⁴Henry George, Progress and Poverty: chapter III. The Proposition Tried by the Canons of Taxation (New York: D. Appleton & Co. 1882) pp. 367-378.

⁵John Stuart Mill, Principles of Political Economy (New York: The Colonial Press, 1899) vol. II, book v, chapters 11, 35 and 36, pp. 321 to 324.

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on the value of their land. The Government would use the statistics thus obtained as the reference in their assessment of taxation as well as ascertaining the amount of unearned increment in land value which would go to the state in the future. Excessive assessment on the value of the land would result in the landowners paying higher taxes, while an undervaluation of land for the purpose of tax evasion would result in the land being purchased by the Government according to the assessment submitted. The objective of this policy was twofold. In the first place it aimed to stabilize land marketing, and hence eliminate land speculation. In the second place, by imposing reasonable taxation and eliminating any chance of land profit through speculations, the price of land would tend to decrease and thus serve to force the land owners to sell the surplus land they possessed. The surplus capital thus derived would be diverted to industrial investments. At the same time the Government, through legislation and financial management would implement the "land-to-the-tiller" programme.

Dr. Sun's theory, it should be noted, remained only an untested general theory. A detailed scheme for land reform was eventually worked out later in the 1940's by the Joint Committee of Land Reform of Sino-American experts. The

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main impetus for the Joint Committee was political. It was set up in August 1948 under the China Aid Act to set out a more detailed blueprint for China's rural reconstruction programme. The Committee, which consisted of three Chinese and two American experts, did a number of things. These included recommendations for modernizing China's feudal agriculture, for introducing irrigation systems, health, education and new marketing techniques. But most important of all, their main job was to "consult with the Chinese Government concerning ways of carrying out land reform".⁶ The chief objective of carrying out land reform was to provide the land to farmers which would in turn result in higher agricultural productivity and a better standard of living.

The blueprint of the plan worked out by the Joint Committee however had no chance of being carried out in the Mainland of China because it was taken over by the Communists the following year.

3. Factors Prompting Land Reform in Taiwan

Although the peasant's living conditions in Taiwan

⁶"Land Reform is China's Crying Need" in Business Week, McGraw-Hill, New York, August 14, 1948, No.989, p.106.

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under the Chinese National Government since 1945 were generally better than those in the Mainland of China. The general configuration of Taiwan is that of a tilted fault block, sloping to the west from a range of two-mile high mountains, with an eastern axis. Seventy per cent of the land is in forest, which has not been cleared. The total area of Taiwan Province including Taiwan proper, the Penghu Islands and the other adjacent islands is approximately 35,960 square kilometers or 13,900 square miles. (Penghu only accounts for 0.35% of the total area). Of the total area, 44.5% is mountainous land. Due to the necessity of preserving forests for the prevention of flood and drought, there is little chance of reclaiming farmland from the forest. This factor together with the rapid growth of population contributed to an increasing land shortage in the farming segment. For example, the area of cultivated land in Taiwan in 1948 was 2,016,941 acre and in 1952 2,048,997 acre. It increased by just one half per cent, while the population had increased by 19 per cent (1948 as 6,806,136 and 1952 as 8,128,374)⁷. The result was that

⁷Taiwan Provincial Department of Agriculture and Forestry. Taiwan Agricultural Yearbook 1950, 1951, 1952.

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population density per sq. km. had increased from 189 to 226, an alarming figure considering the short span of time involved. An even clearer picture of the land situation in relation to farming population is shown in Table I.⁸

These figures show an increasing deterioration in the farmland situation in terms of a relatively decreasing land supply and a rising agricultural population pressure. The latter was due to natural growth as well as to the influx of political refugees from other parts of China, notably the Mainland of China and the British Colony, Hong Kong.

By examining the fluctuation of rates in the proportion of owner farmer and tenant farmer families together with that of the land cultivated by the two groups, the steady worsening of the situation for the tenants becomes obvious, as shown in Tables 2 and 3.

These figures show that while the percentage of the land-owner families increased from 1940 to 1949 by only 2.5%, the land owned by them increased in the same period by 6.8%. On the other hand, while the percentage of tenant families decreased from 1940 to 1949 by 1.7%, the land under their

⁸Taiwan Provincial Bureau of Accounting and Statistics. Taiwan Statistical Abstract No. 14.

TABLE 1

Total Area of Farmland, Total Population, Agriculture
Population and Farming Families in Taiwan 1940-1952

Average Area of Farmland
(Unit: chia)

Year	Total Area of Farmland ¹ (unit: chia) ^a	Index	Agriculture Population ²	Index	Farm Families ³	Index	Per Farmer	Per Family
Average for 1940-1943	881.862	100.0%	3,128,062	100.0%	448,220	100.0%	.2819	1.9675
1947	859.818	97.5%	3,578,175	114.4%	613,485	136.9%	.2403	1.4015
1948	889.929	100.9%	3,779,652	120.8%	640,554	142.9%	.2355	1.3893
1949	891.689	101.1%	3,879,581	124.0%	665,134	148.4%	.2298	1.3406
Average for 1947-1949	880.479	99.8%	3,745,803	119.7%	639,825	142.7%	.2351	1.3761
1950	897.636	101.8%	3,998,470	127.8%	682,467	152.3%	.2245	1.3153
1951	900.975	102.2%	4,140,610	133.0%	706,195	157.6%	.2165	1.2758
1952	903.273	102.4%	4,257,136	136.1%	725,046	161.8%	.2122	1.2458
Average for 1950-1952	900.628	102.1%	4,138,739	132.3%	704,569	157.2%	.2176	1.2783

Note: one chia is equal to 0.969917 hectare, or 2.3968 acres.

Sources

(1), (3) Taiwan Agricultural Yearbook, 1950, 1951 and 1952 edition compiled by the Taiwan Provincial Department of Agriculture and Forestry.

(2) Taiwan Statistical Abstract, No. 14, compiled by the Taiwan Provincial Bureau of Accounting and Statistics.

TABLE 2

Different kinds of farming families in
Taiwan Province, 1940 to 1952 in percentage

Year	Owner Farmer Families	Part Owner Farmer Families	Tenant Farmer Families	Farm Hand Families	Total %
Average for 1940-1943	31.2%	31.0%	37.8%	-	100
1947	28.5%	24.9%	36.8%	9.8%	100
1948	33.0%	24.1%	36.1%	6.8%	100
1949	33.7%	23.5%	36.1%	6.7%	100
Average for 1947-1949	31.8%	24.2%	36.3%	7.7%	100
1950	33.9%	23.8%	35.8%	6.5%	100
1951	35.4%	23.8%	34.4%	6.4%	100
1952	36.1%	24.4%	33.2%	6.3%	100
Average for 1950-1952	35.1%	24.0%	34.5%	6.4%	100

Sources: Taiwan Agricultural Yearbook, 1950, 1951 and 1952 editions compiled by the Taiwan Provincial Department of Agriculture and Forestry (for figures of owner-farmer, part-owner-farmer, and tenant farmer families covering 1940-1951); Taiwan Statistical Abstract, No. 14, compiled by the Taiwan Provincial Bureau of Accounting and Statistics (for figures of farm hand families covering 1947-1951); and statistical materials compiled by the Provincial Department of Agriculture and Forestry (for all figures covering 1952).
For details, see Appendix 1.

TABLE 3

The areas of owner-cultivated and non-owner-cultivated land in Taiwan Province, 1939-1952, in percentage

Year	Owner-Cultivated Land	Tenant Cultivated Land	Land Cultivated by Public Enterprises & Government Offices	Tot %
1939	43.7%	56.3%	-	100
1949	50.5%	41.1%	8.4%	100
1950	51.1%	40.6%	8.3%	100
1951	54.6%	37.1%	8.3%	100
1952	57.2%	34.5%	8.3%	100

Sources: The figures for 1939 are based upon the results of an investigation made by the Japanese administration in that year, as given in the Taiwan Agricultural Yearbook, 1952 edition compiled by the Taiwan Provincial Department of Agriculture and Forestry. The figures for the other years are computed on the basis of statistical materials compiled by the Provincial Land Bureau.

For details, see Appendix i

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cultivation decreased in the same period by 15.2%. This was extremely unfavourable to the tenant families who made up the majority of the farming population.

In the more advanced agricultural countries, this problem of land shortage could be tackled by the mechanization of agriculture. But this was impossible in Taiwan owing to the lack of capital. The only remedy seemed therefore to lie in increasing the input of the labour factor in the cultivation of farmland that could, to some extent, increase the agricultural production. Even this measure was seriously hindered by the conditions in the tenure system prevailing in Taiwan. This largely deprived the peasants of their incentive for land improvement in particular because of the high rent they had to render to the land owners.

According to the report on the "Implementation of the 37.5% Farm Rent Limitation Program" prepared by the Taiwan Provincial Land Bureau for the year 1949, the undesirable practices consisted of the following:

First of all, there was the problem of high rents. The common lease provided for a share of 50% of the total harvest for the landowners. But it was not unusual to find rents more than 50% of the total yields. In the fertile areas such as in Taichung and Hsinchu, the rental rate for

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the landowners went up to 70%. In the less fertile or in the newly reclaimed land, the rental rates were slightly less than 50%. There was also the practice of levying the so-called "iron-clad rent", and rent on by-products.⁹

The former required the tenants to pay a fixed amount of rent regardless of bad harvest. The latter required the tenants to pay an extra share of rent according to the rental rate for the main crops. There were cases in which the landowners arbitrarily required the tenants either to plant some secondary crops or to raise chickens and ducks for them without any payment. The second practice was that of requiring the tenants to pay a rent deposit to guarantee rent payment. This deposit was usually equal to one year's rent but sometimes it could go up to as much as twice the annual rent and it would be kept by the landlord until the tenure was terminated or if the tenant was in default. Thirdly there was the practice of not fixing a definite period of time for a land rent lease. This was done in order to increase the rental rate or the rental deposit or to terminate the lease as they saw fit. Fourthly, the prevail-

⁹Ironclad rent is one of the abuses of the tenancy system in the past. It means an agreed amount of rent must be paid by the tenant irrespective of natural catastrophe, crop failure, etc. No exemption and reduction shall be made.

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ing practice of verbal contract instead of written one rendered it practically impossible for the tenants to enforce the contract in the case of the landowners for some reason or other suddenly deciding to terminate the lease. It was found that nine out of ten contracts were verbal, not written. This deprived the tenants of their legal protection. Fifthly there was the unreasonable practice of demanding advance payment of rent. Payments were demanded one or two years ahead of the actual harvest. It was also common for the landlords to demand payment in advance of one crop. Finally, landowners who possessed too much land and hence could not take care of it personally, sub-let farm-lands to sub-landlords. This was common in the rural countryside of Taiwan. These sub-landlords, eager for profits, were usually more oppressive to the peasants than the original landlords. The original tenure system, as described above, had to be abolished if Taiwan was to solve its agricultural problems.

The Land Reform Movement was only one of the economic measures to improve the economy of the country. The basic economic solution for Taiwan lies also in industrialization. Dr. Sun considered solution for land problems as the first and most important step in solving China's economic problems. In 1925 Dr. Sun declared that his Principle of People's

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Livelihood would only be half done after the implementation of the land policy he advocated.¹⁰ While they recognized that the land ownership problem was the root of all land administrative problems most of the Chinese land economists considered it as one of the steps leading to industrialization of China.

"The solution of the land problem will not only prevent commercial capital from flowing towards profiteering in land, but will also direct it towards industrial development. Our solution of land problems will not only wipe out speculation in land as in commerce, but will produce the effect of stimulating the industrialization of China."¹¹

The two major objectives which the Chinese government was trying to achieve were land reform on the one hand and industrial reconstruction on the other.

It was recognized that China's economic future lies in industrialization, yet this was impossible. The people in general, particularly people of means, either because of the old feudal concept which treasured land more than other forms of assets or because land investment involved less risk than others, did not look at investment in industry as

¹⁰Chen Cheng, An approach to China's Land Reform (Taiwan: Cheng Chung Book Co., 1951, p. 86).

¹¹Ibid., p. 86

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an important channel for their reinvestable capital. This produced two undesirable effects. Firstly it caused the bottling up of money in agriculture and hence hindered industrial development. Secondly it caused land speculations which had a very bad effect upon agriculture as well as upon Taiwan's economy as a whole. Discouragement to land-holding through land reform and positive encouragement for investments in local industry were recognized as important steps towards Taiwan's efforts at industrialization.

These were the general considerations that led the Chinese Government in Taiwan to carry out the land reform movement in which political and economic considerations as well as a sense of justice were involved. The Nationalist Government declared in December 2, 1952 that:

"One of the aims behind the Government's land-to-the-tiller program is to bring about land reform in such a way that it would improve the livelihood of the farmers, increase agricultural output and serve the economic interests of the majority, so that a just and fair social economic system may gradually be established."¹²

Yet political consideration seemed uppermost in the official mind.

"For all the farm families in Taiwan", expressed by the government on another occasion, "to groan under the

¹²
Ibid., p. 1.

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exploitations was not merely a land and economic problem, but a social and political matter. If this problem had not been solved in good time, it would have adversely affected the stability and the very existence of the nation."¹³

The Government had taken note of the sad memory they had experienced in the Mainland of China.

Thus the immediate reasons for land reform in Taiwan were the pressing political and economic considerations - an effort to make the best of the only significant piece of Chinese territory not under communist control. Nonetheless, the measure has proved to be effective as far as raising the living standards for the farmers in Taiwan is concerned. The following chapters will examine in detail the land reform program and its implementation.

¹³Ibid., pp. 4-5.

CHAPTER II

THE PROCESS OF LAND REFORM IN TAIWAN

The implementation of land reform in Taiwan was carried out in three stages: (1) reduction of farm rent to 37.5%, (2) public land sale, and (3) the enforcement of the 'land-to-the-tiller' programme. This chapter intends to describe and analyze the actual programmes and the enforcement of these policies.

1. The 37.5% Farm Rent Reduction Programme

The farm rent reduction programme did not merely involve the reduction of rent. It also involved an overall reform of the unhealthy tenant system as described in the previous chapter. The policy of the reduction of farm rent itself was simple. It meant that the amount of farm rent should in no circumstances exceed 37.5% of the total annual yield of the principal product of the main crop from the land.¹ The standard amount of the total annual yield of the principal product of the main crop, as was laid down in article 4 of the Rent Reduction to 37.5% Act, was to be

¹Main crop denotes the essential crop planted. For example, the essential crop in Taiwan is rice.

appraised by the Farm Tenancy Committee of the Village, Township or District Office, and the amount thus appraised would be submitted to the Farm Tenancy Committee of the Hsien or City Government for confirmation and finally to the Taiwan Provincial Government for approval. (See Appendix 2)

As the 37.5% farm rent limitation programme involved the calculation of farm rent according to the total annual yield of the principal product of the main crop, it is obvious that the degree of accuracy with which the amount of the total annual yield was appraised would have a direct bearing on the enforcement and the success or failure of the programme itself. Some problems however were encountered in the appraisal of the standard amount of the total annual main crop yield. Several different methods were required to cope with them. In general three possible methods were employed. The first was for the landlord and his tenant to make an appraisal. The second was to take the actual annual yield as the standard. And the third was for the Government or some representative group of landlords and tenant farmers to make the appraisal. All these methods had some defects. By the first and the second, it would be difficult to harmonize the views of the landlords and the tenants. The use of the third method might result in a more objective and clear cut standard, but the lack of a cadastral

system² (under which the categories, grades and areas of land had been duly investigated and surveyed and the rights had been properly registered), rendered it difficult to practice. As a result, a compromise was worked out. In areas where there was no cadastral system, the first and the second methods were used. The standard annual amount of yield in the private farm was usually obtained by these methods. In the government-owned public farm land where a cadastral system had been in operation, the third method was adopted. The standard amounts of the total annual yield for the different hsien and cities in Taiwan were appraised by the 37.5% Rent Campaign Committees in May, 1949. To facilitate such appraisal, the Provincial Land Bureau has compiled unofficial "Tables Showing the Total Annual Yield of the Main Crop for the Different Grades of Farm Land in Taiwan". In their compilation the Land Bureau had made use of the materials gathered by the Japanese authorities in their

²Cadastral system: It is the "land administration" record originated and prepared when Taiwan was under Japanese occupation. This record contains information of the parcels of land in Taiwan such as area, location, grade (quality), price, ownership, history of transfer of ownership, lease and rent. The record has been update by annual survey, and the detailed information it provides has proven to be most valuable in the land reform in Taiwan.

THE PROCESS OF LAND REFORM IN TAIWAN

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investigation of farm land in the period between May, 1942 and February, 1944 and also of the average main crop yield per unit of the different farm lands in Taiwan for the three-year period 1946-48. These Tables were issued to the various hsien and cities for reference purposes.³ On the basis of these Tables, local conditions and the standard amounts of the total annual yield used in the lease of public farm land, the 37.5% Rent Campaign Committees of the various hsien and cities carried out the work of appraisal in the respective hsien and cities. These standards were used for the calculation of farm rent in 1949 when the landlords and tenants signed new lease contracts which were required under the rent reduction programme.

The programme of general farm rent reduction on private land for the whole province of Taiwan began in April and was successfully completed in August, 1949. The work was divided into three stages. During the first stage, supervisory agencies on the provincial, hsien, city village and township levels were established and field workers were trained. In the second stage, new lease contracts were signed by landlords and tenants. The third and last stage was

³"Hsien" is a local administrative unit which is similar to a county in Canada. The Province of Taiwan is divided into 15 "Hsien".

devoted to field inspection and rechecking. Beginning with the first harvest season of 1949, the 100,000 old landowning families and 300,000 tenant families on private leased farm land bound themselves to observe their rights and obligations according to the terms of the new lease contracts. In this way a foundation was laid for the new system of land tenure in Taiwan which will now be examined in more detail.

(1) Supervisory Agencies and Training of Staff Workers

The authorities in charge of the execution of the rent reduction programme in Taiwan were the Land Bureau on the provincial level and the Hsien or City Government on the hsien or city level. But in order to facilitate enforcement, supervisory agencies were created on the different levels as follows: (a) A Committee for the Supervision of the 37.5% Rent Campaign for the province as a whole; (b) A 37.5% Rent Campaign Committee for each hsien and city; and (c) A Sub-Committee of the 37.5% Rent Campaign Committee for each village and township.

All these Committees and Sub-Committees were created one after another in April and May, 1949. As their membership included representatives of various sections of the community, they were able to make important contributions to

the enforcement of farm rent reduction by publicizing the aims and purposes of the Government, explaining steps and procedures to be followed.

(2) Signing of New Lease Contracts by Landlords and Tenants

The revision of farm lease contracts in Taiwan was carried out in the second stage as part of the procedure for their registration. The landlord and tenant proceeded to negotiate and agree upon certain terms for the lease of land according to the provisions of the rent reduction programme. Then they filled out two copies of an application form prescribed by the Government, stating therein all the terms upon which they had mutually agreed. This application form, countersigned by the Hamlet or Section Chief, together with the original lease contract, duplicate copies of the landlord's and tenants residence cards, and other relevant documents, was then sent to the Village or Township Office for registration.

On the receipt of the application form, the Village or Township Office would examine it, and would approve the request for registration if it conformed to all the requirements for rent reduction. When the request was approved, the forms of the new lease contract would be duly filled in

according to the terms stated in their application form by members of the Village or Township Office. It would then be handed to the landlord and tenant for examination and signature.

(3) Revision of Farm Lease Contract

The revision of farm lease contracts in the various hsien and cities of Taiwan began towards the end of May, 1949. The Hsien and City Governments and Village and Township Offices mobilized almost their full strength in order that the task might be finished in the next month. As all of the most important items such as rental rate and periods of lease had been clearly and definitely prescribed, few disputes arose between landlords and tenants in connection with the terms of the lease contracts. Though some landlords had been rather hesitant at first, most of them were subsequently persuaded by the authorities and tenants to conform and do what was required of them. The many questions concerning the liquidation of former rights and obligations such as the rate of conversion in calculation the monetary value of security deposits to be refunded and the settlement and payment of arrears in farm rent were all to be handled separately, by the authorities or the 37.5% Rent Campaign

Committees, so that they might not complicate and delay the revision of lease contracts. On the whole the entire work of revising lease contracts was carried out quite smoothly.

With the exception of certain small pieces of land used as tea plantations, orchards, etc., for which the revision of lease contracts was carried out later on, the total number of lease contracts for private farm land under lease completed in May and June, 1949 was 377,364.

(4) Field Inspection and Rechecking

The revision of Farm lease contracts marked the formal completion of rent reduction. To see whether the landlords and tenants had abided by the provisions of the lease contracts, an on-the-spot inspection and rechecking was carried out by the Taiwan Provincial Government in July and August 1949. The payment of rent for the summer crop was usually made during these months so they were best suited for a thorough checking of the conditions following completion of the Rent Reduction programme.

On-the-spot inspection and rechecking were carried out by dividing the whole province into five districts, namely: northern, central, southern, Kaohsing-Pingtung and Eastern. The field inspection and rechecking were carried

out by two methods, the examination of written records and by conferences. By the first method, the duplicate copies of the newly signed farm leases, contracts and the application forms for their registration that were on file in the village and the township officers were checked over to see if there were errors and commissions or any irregularities. The old land records kept during the Japanese administration, the household tax records, records bearing on the allocation of fertilizers, and other relevant data were all carefully examined and compared with one another. If any errors or omissions were discovered, the landlords and tenants concerned would be asked to make the necessary corrections. By the second method, village meetings and owner and tenant meetings were held to report on the payment and collection of farm rents in the localities.

Visits to the tenant farmers were also made by the inspectors from the province, hsien and township. Their newly signed lease contracts were examined to ascertain the amount of farm rents they had to pay for the season and the method of payment.

Irregularities revealed and corrected by the two months inspection are shown on Table 4.

TABLE 4
NUMBER OF IRREGULARITIES DISCOVERED AND DULY CORRECTED

<u>Nature of Irregularity</u>	<u>Number of Cases</u>	<u>Percentage</u>
Failure to Sign Lease Contracts	13,992	40.1%
Farm Rentals Wrongly Calculated	9,835	28.2%
Harvest Yield Inaccurately Stated	3,059	8.8%
Illicit Changes in Wording of Contracts	2,556	7.3%
Categories and Grades of Land Inconsistent with Old Land Records	2,280	6.6%
Illicit Rental Charges	1,718	4.9%
Advance Collection of Farm Rent	635	1.8%
Contracts Not Duly Stamped with Seals	453	1.3%
Illegal Termination of Lease	232	0.7%
Excessive Water Charges	<u>107</u>	<u>0.3%</u>
Total:	34,867	100.0%

Source: Implementation of the 37.5% Farm Rent Limitation Programme
compiled by the Taiwan Provincial Land Bureau, 1949.

(5) Organs for the Government of the Rent Reduction Programme

Though the betterment of relations between the landlord and his tenant depended to a large extent of legal protections and governmental direction and guidance, it can be hardly accomplished without the active and wholehearted cooperation of the parties concerned. The most important one was the Farm tenancy Committee for each hsien, city, village and township consisting of representatives chosen by and from among landlords, owner farmers and tenant farmers. These Committees, elected in the summer of 1952 were to replace the original 37.5% Farm Rent Reduction Campaign Committees. The organizations and functions are as follows:

(a) Organization of Farm Tenancy Committees: Farm Tenancy Committees are of two different levels: those established by the Hsien or City Government belong to one level and those established by the Village, Township or District Office belong to another. Farm Tenancy Committees on the hsien and city level are composed of eleven members, of whom two (chief of the land Section of the Hsien or City Government and Chairman of the Hsien or City Farmers' Association) are ex-officio, five are representatives of tenant

(b) Functions of the Farm Tenancy Committees: The functions of the Farm Tenancy Committees on the various lev-

els are:

A. Information, assistance and supervision in the implementation of farm rent reduction;

B. Appraisal of the standard amount of the total annual yield of the principal product of the main crop on farm lands;

C. Investigation of crop failures caused by natural disasters on farm lands and recommendation of measures for the reduction or remission of farm rent;

D. Conciliation of disputes over the lease of farm lands;

E. Investigation of, or advice on matters concerning farm rent reduction that are referred to the Committees by the various levels of government.

(6) Number of Beneficiaries and Area of Farm Land Affected

The number of farm families that had their contracts for the lease of private farm land duly revised and registered in 1949 was 296,043 or 44.5% of the total number of all farm families (including owner-farmers, tenant farmers, and farm hands) of the whole province for that year, and at the end of 1952, it was 302,277, which was 41.7% of the total number of all farm families of the whole province for

that year.

The area of private farm land that was affected by the revision of farm lease contracts in 1949 was 263,358 chia which was 38% of the total area of private farm land of the whole province for that year.⁴ In addition, there were 1,156 chia of the land used as farmhouses, drying grounds, etc. that were leased together with the farm land proper. If this land is included as part of the farm land, then the total area of land affected by the revision of farm lease contracts in 1949 was 264,514 chia all in all. As more and more tenant farmers purchased some of the land they had originally leased, there was a tendency for the area under lease to show a gradual decrease in the following years. Thus, by the end of 1952, it had become 256,948 chia, which was 2.9% less than the figure for 1949. Exclusive of farmhouses, drying grounds, etc., the total area of farm land proper which was leased and regulated by revised farm lease contracts in 1952 was 255,334 chia, which was 37.5% of the total area of private farm land for that year.

Table 5 shows the number of farm families that signed lease contracts as well as the area of farm land

⁴Chia is the traditional area unit in this Province and has been adopted by the Land-To-The-Tiller Act. It equals to 0.969917 hectares.

affected.

2. "Sales of Public Lands to the Tillers" Programme

(1) Origin of Public Farm Lands in Taiwan

The public farm lands in Taiwan were properties owned by the Japanese administration and private firms which were taken over by the Chinese government after the Second World War. These comprised 181,490 chia of public farm lands as shown in Table 6.

Most of these public farm lands are settled around the south end of the island. In October, 1946, the Chinese Government took over all of these lands from the evacuated Japanese and promulgated the following principles with regard to these lands.

(a) Basic principle - It was provided that all public lands should be leased to cooperative farms, and that small pieces of lands unsuitable for cultivation on a cooperative basis might be leased to farmers cultivating land privately.

(b) Lessees - The public lands were to be leased to cooperative farms with each farm as a lessee, and to individual farmers according to the following order of priority:

TABLE 5
RESULTS OF THE 37.5% RENT LIMITATION PROGRAMME IN TAIWAN

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>
Number of Farm Families Having Signed Farm Lease Contracts	296,043	296,964	298,143	302,277
Number of Farm Lease Contracts Signed	377,364	383,936	388,354	396,002
Number of Plots of Farm Land Affected	817,231	843,883	832,086	841,043
Area of Farm Land Affected (chia)	264,514	263,278	262,145	256,948
Paddy Field (chia)	227,329	227,509	226,556	220,029
Dry Land (chia)	36,029	33,661	33,419	35,305
Other Land (chia)	1,156	2,108	2,170	1,614

Source: Statistics on the Enforcement of the Rent Reduction Programme compiled by the Taiwan Provincial Land Bureau.

TABLE 6
THE ORIGIN OF PUBLIC FARM LAND IN TAIWAN PROVINCE, 1946

<u>Original Owners</u>	(unit: Chia)		<u>Total</u>	<u>Percentage</u>
	<u>Paddy Field</u>	<u>Dry Land</u>		
Governor's Office	2,672	20,781	23,453	12.9%
Settlement Area	2,186	3,332	5,518	3.0%
Alluvial Land	370	6,147	6,517	3.6%
Military zone	1,592	2,180	3,772	2.1%
County & City	2,191	3,023	5,214	2.9%
Township & Village	1,617	4,006	5,623	3.1%
Individual Japanese	4,049	6,255	10,304	5.7%
Private firms	<u>59,521</u>	<u>61,568</u>	<u>121,089</u>	<u>66.7%</u>
Total:	74,198	107,292	181,490	100.0%

Source: Taiwan Land Statistics compiled by the Taiwan Land Bureau, 1947.

(i) the present tiller, (ii) tenant farmer, and (iii) part-owner-farmer.

(c) Standards - The public land to be leased to each farming family was to be limited to from 15 to 45 mow of paddy field, or 30 to 75 mow of dry land.⁵ In the case of cooperative farms, the amount of public land to be leased to each was to be the sum total of all the lands that the individual farming families which were members of the farm would be entitled to lease if they were to be lessees in their individual capacity.

(d) Rental rate - It was originally provided that the maximum rental rate of the public lands might not exceed 8 per cent of the land value or one-third of the annual main crop yield.

(e) Period of lease - The period of lease was limited to nine years in the case of cooperative farms and five years in that of individual farmers.

(f) Cooperative farms - A cooperative farm might be set up where there were 300 mow or more of public farm land and ten or more farming families. Membership in cooperative farms was limited to present tillers who had no other land to

⁵"Mow" is the traditional area unit in China. It equals to 100 square metres. (See China Yearbook 1965, Chinese edition, p. 668).

cultivate or who were cultivating pieces of land not exceeding the standards mentioned in paragraph (c).

These regulations were drawn up to achieve a double purpose: to better the livelihood of the farmers by reducing the farm rent and to improve the methods of production by encouraging cooperative farming. A total of 106,959 chia or 58.9% of all the public farm lands in Taiwan were leased anew according to the provisions of these Regulations. The remaining 41.1% amounting to 74,531 chia were retained in the hands of public enterprises, governmental departments and educational institutions for purposes of agricultural demonstration and experimentation, the growth of seedlings and the supply of raw materials.

There were approximately 130,000 families of tenant farmers who leased public land for cultivation in 1947; this was about 22% of the total number of farming families in Taiwan Province in that year. Table 7 shows more details.

(2) Sales of Public Farm Lands

The sale of public farm land to farmers was a step forward in the direction of abolishing the system of land tenancy and realizing the land-to-the-tiller idea. It was the substitution of peasant proprietorship for State tenancy and

TABLE 7
AREAS OF PUBLIC LANDS IN TAIWAN LEASED AND RETAINED, 1947

	<u>Area (Chia)</u>	<u>Percentage</u>
I. Area Retained by Public Enterprises, Governmental Departments, and Schools	74,531 ⁽¹⁾	41.1%
II. Area Leased to Lessees	106,959	58.9%
1. By Hsien and City Governments	58,581	32.3%
2. By Public Enterprises	<u>48,378</u> ⁽²⁾	<u>26.6%</u>
Total:	181,490	100.0%

Source: Statistics furnished by the Taiwan Land Bureau.

Notes: (1) This figure includes 59,606 chia of farms operated and administered by the Taiwan Sugar Corporation.

(2) This figure includes 42,771 chia of tenanted farm land administered by the Taiwan Sugar Corporation.

represented a basic change in governmental policy.

The initial sale of public farm land, which was effected in 1948, had a double purpose in view: first, to help establish owner-farmers and, second, to relieve rural unemployment through the reclamation of land. The original plan called for the sale of 10,000 chia of public land to help establish 7,000 families of owner-families and by using the proceeds to employ 20,000 families of reclaimers to reclaim 120,000 chia of public waste land. Accordingly, the Taiwan Provincial Government drew up in the same year two sets of regulations: (a) Measures for the Sale of Public Land and the Reclamation of Waste Land to Relieve Unemployment in Taiwan Province, and (b) Essential Points in the Sale of Public Land to Help Establish Owner-Farmers. It was also decided to begin with that the plan would be carried out in a few districts. But the work was temporarily suspended in 1949 as a result of the implementation of the programme of farm rent reduction in Taiwan, which led to the betterment of the farmer's livelihood and the consequent gradual disappearance of unemployment. With the suspension of the sale of public lands, the project for the reclamation of land which had formed part of the sales programme was taken up later on (June, 1951) as a separate undertaking.

With the successful operation of the farm rent reduc-

tion programme in 1951, the Taiwan Provincial Government drew up, in the light of actual experiences gained in 1948, another set of Regulations Governing the Implementation of the Sale of Public Land to Help Establish Owner-Farmers in Taiwan as part of an overall policy for the realization of the land-to-the-tiller idea. These Regulations provided that the whole of the proceeds from the sale of State-owned lands, and that part of the proceeds from the sale of province-owned lands which exceeded the amount of the annual rent should be earmarked as a fund for the establishment of owner-farmers. They were passed by the Taiwan Provincial Assembly, and submitted to and approved by the Executive Yuan on June 4, 1951. This event which followed the implementation of the farm rent reduction programme marked the beginning of a new stage in land reform in Taiwan. (See Appendix 3)

(3) Appraisal of Land Value and Payment by Instalments

The correct appraisal of the land value was of decisive importance in the success or failure of the programme for the sale of public land. When the sales programme was first initiated in 1948, it was originally planned to allow the different Hsien and City Governments to make their own estimates in the light of local circumstances and according

to the provisions of relevant laws and regulations on land. They would then be submitted for final decision to the respective Hsien and City Committees for the Establishment of Owner-Farmers. Some time later, in order to find a uniform and reasonable basis for the determination of land values, the Taiwan Provincial Land Bureau proposed that - "The criterion for the calculation of land values shall be two and half (2.5) time the annual main crop⁶ yield per chia of each grade of cultivated land". Their criterion was soon adopted by all the Hsien and City Committees for the Establishment of Owner-Farmers and used for the appraisal of land values in the sale of public lands in 1948. It was officially written into the Regulations Governing the Implementation of the Sale of Public Land to Help Establish Owner-Farmers in Taiwan, which were promulgated by the Taiwan Provincial Government in 1951. Their criterion had several merits. First, as the value of land thus determined will be exactly 10 times the farm rent of public lands, it was both easy to calculate and easy for the farmer to understand and remember. Secondly, being expressed in terms of farm products, the land value would not be affected by fluctuations in the value of the currency or changes in commodity prices. Thirdly, the land

⁶ See footnote No. 1 on p. 21.

value so determined would approximate its market value.

The standard amounts of the annual main crop yield per chia of the different grades of public farm land had already been fixed by the different hsien and cities at the time when the public lands lying within their respective territorial limits were offered for sale. These amounts were used as yardsticks for the determination of land values in the sale of public land in 1948. But in implementing the 37.5% farm rent limitation programme on private lands in 1949, the various hsien and cities fixed a different set of standards regulating the amount of the annual main crop yield on private farm lands. Consequently, there were variations in the standard amounts of the annual main crop yield in public and private farm lands in the same hsien or city. The standard amounts in public lands were occasionally higher but usually lower than those in private lands. Recognizing the anomaly of such a state of affairs, the Taiwan Provincial Government in 1951 ordered that all standard amounts of the annual main crop yield that had been higher in public lands in the various hsien and cities be reduced to the same level as those in private lands, and that no changes be made if the reverse was true. The purpose that had inspired the Provincial Government to issue this order was to protect the interests of the purchasers of public lands while attempting

to achieve as far as possible uniformity in the standard amounts of the annual main crop yield in respect of both public and private lands.

The price of public land purchased by farmers was to be paid in equal installments on an annual basis. The number of such yearly installments was fixed in 1948 to be from 5 to 8 according to the quality of land.

When the Taiwan Provincial Government again authorized the sale of public land in 1951, it found that this scheme was objectionable because of the heavy burden on the purchaser who had to pay off the entire price in so short a period of time and because it was too complicated and difficult to remember. Therefore, it adopted an entirely new scheme whereby the purchase price of all public lands, including both paddy field and dry land of all categories was to be paid in ten annual equal installments, each of which including the land tax was not to exceed 37.5% of the total annual main crop yield of the land purchased. But any farmer purchaser who wished to pay off the entire purchase price in fewer than ten yearly installments might do so if it did not produce any adverse effects on his livelihood or on the management and operation of his farm. As the land value had been already appraised at 2.5 time the total annual main crop, each of the ten yearly installments would be 25% of the

total main crop yield, or just the equivalent of the annual rent which the farmer had been obliged to pay in his capacity as lessee before he made the purchase.

(4) Administration

The whole programme was carried out in four periods; 1951, 1952, 1953 and 1958. A total staff of 22,891 was employed. The essential works are given below:

(1) Field Investigation and Survey - The main object of having a field investigation was to find out the following information with respect to the public tenanted land to be offered for sale: locations area; category and grade of each plot of land; condition of land utilization; land and economic condition of its user as a basis for delineating the land to be sold and for screening the applicant farmers. If changes in land use were found during investigation, cadastral maps were corrected based on a survey of the land area.

(2) Public Announcement, Application and Screening - On the basis of the results furnished by the field investigation and survey, a list of public lands offered for sale was compiled and announced publicly. The incumbent tillers were notified to apply for purchase within the specified time limit, so that if mistakes were discovered in the list,

corrections could be made. All the lawful applicants were screened and approved by the Committee for the Establishment of Owner-Farmers of the respective Hsien or city. This Committee was constituted of from nine to eleven members. These included Hsien magistrate, city mayor, division chief, finance and land affairs, representative of the local people's assembly, land and financial organizations, agricultural association and the tenants of the public land as well as the local gentry. The screening of the applicants was their main duty.

(3) Sales and Post-Sales Periodic Rechecking: - Any farmer whose application for the purchase of public land had been duly approved was notified to pay the first installment amounting to the same amount of the original rent. The total of the first installment and the land taxes did not exceed the rent under the 37.5% rental rate in the private leased land. The farmers could easily acquire land without encroaching upon their living expenses or capital. When the first installment of the purchase price was paid, the farmer purchaser was issued a Public Land Purchase Certificate. To ensure that the farmer purchaser would keep the purchased land and carry out thoroughly the policy of promoting owner farmers, there were provisions governing the transfer and change of use of the purchased land. The Provincial Gov-

ernment initiated a system of annual rechecking whereby illegal practices could be corrected.

(5) Results of Sales Programme

In the successive sales of public land in Taiwan Province from 1948 to 1953, a total of 63,000 chia of farm land were sold to 121,953 farming families, each of which had purchased an average of 0.52 chia. The average area purchased by each farming family under the different sales programmes is shown on Table 8.

The area of public land purchased by the farmers differed however from individual to individual. According to a statistical study made by the Taiwan Land Bureau in October, 1952, it was shown that of the 96,906 farming families that had purchased the 49,702 chia of public land under the sales programmes of 1948, 1951, and 1952, each had purchased 0.51 chia on the average. But over 66% of those farming families each purchased less than 0.5 chia, about 20% had each purchased from 0.5 to 1 chia, and less than 14% had each purchased more than 1 chia. Table 9 shows the situation in more details.

It will be seen from Table 9 that practically two-thirds of the farming families buying public land have pur-

TABLE 8
AVERAGE AREA PURCHASED BY EACH FARMING FAMILY 1948 - 1953

<u>Year</u>	<u>Average Area Purchased by each Farming Family</u>
1948	0.45 chia
1951	0.48 chia
1952	0.60 chia
1953, first batch	0.47 chia
1953, second batch	<u>0.59 chia</u>
Average:	0.52 chia

Source: Statistics on the Sale of Public Land compiled by the
Taiwan Land Bureau in December, 1953.

TABLE 9
 THE NUMBER OF FARMING FAMILIES PURCHASING VARIOUS AMOUNTS
 OF PUBLIC LAND IN 1948, 1951 AND 1952

Amount of Land Purchased	Number of Farming Families Making the Purchase	Percentage
Under 0.5 chia	64,279	66.33%
0.5 to 1 chia	19,462	20.08%
1 to 1.5 chia	7,525	7.77%
1.5 to 2 chia	3,226	3.33%
2 to 3 chia	1,782	1.84%
3 to 4 chia	477	0.49%
4 to 5 chia	107	0.11%
5 to 10 chia	<u>48</u>	<u>0.05%</u>
Total:	96,906	100.0%

Source: Statistics on the Sale of Public Land compiled by the
 Taiwan Land Bureau in October, 1952.

chased less than 0.5 chia each. But it would be erroneous to conclude that this is the only amount of land they actually cultivate, because besides this small amount recently purchased from the Government they may and do cultivate other pieces of land. According to statistics compiled by the Taiwan Land Bureau, the 96,906 farming families who have purchased the 49,702 chia of public land under the sales programmes of 1948, 1951 and 1952 also cultivate 67,383 chia of other lands which are either their own property or leased from others. Thus the total amount of land which they cultivate is 117,085 chia consisting of several kinds of land as shown on Table 10.

By calculating on the basis of these figures, we find that the average amount of land cultivated by each of the 96,906 farming families which had purchased public land was 1.21 chia, a figure which approximates rather closely to the average amount of land (1.28 chia) cultivated by each farming family throughout the whole Province of Taiwan for the three-year period 1950-1952 inclusive.

3. "Transfer of Land Ownership to the Tiller" Programme

(1) The aims of the "Land-to-the-Tiller" Programme

The ultimate objective of land reform in Taiwan was

TABLE 10

LAND CULTIVATED BY FARMING FAMILIES 1952

Private Land Leased under the 37.5% Farm Rent Contract	12,291 chia	10.5%
Public Land Leased under Contract	20,583 chia	17.6%
Farm Land Originally owned by the Farming Families Themselves	34,509 chia	29.5%
Public Land Recently Purchased by the Farming Families	<u>49,702 chia</u>	<u>42.4%</u>
Total:	117,085 chia	100.0%

Source: Statistics on the Sale of Public Land compiled by the
Taiwan Land Bureau in December, 1952

to realize the "land-to-the-tiller" ideal. Following the reduction of farm rent to 37.5 per cent and the sale of public land to the farmers, the Chinese Government made a final effort to implement the land-to-the-tiller programme.

When the programme of the 37.5% farm rent limitation had been successfully carried out, the Chinese Government was confident that the general public had a better understanding and appreciation of the question, and that the tenant farmers were more enthusiastic for further reforms, which paved the way for the enforcement of the land-to-the-tiller policy. This programme was carried out chiefly through the direct method of helping to establish owner-farmers, a method which consisted in the compulsory purchase of private tenanted farm land by the Government and its resale to the actual tiller.

In order to coordinate agricultural and industrial policies, which were aimed to increase national products, the land-to-the-tiller programme in Taiwan was characterized by certain particular features as may be seen from the following brief summary:

(a) Landlords -- The governmental policy with respect to the landlords was two-fold: (1) on one hand, all their farm land leased to tenants was to be compulsorily purchased according to law in order to deprive them of any further opportunity to live on farm rents; and (2) they were encour-

aged to interest themselves in industrial development by converting their landholdings into industrial holdings and increasing their incomes therefrom. It was with the latter purpose in view that compensations for the compulsorily purchased land were paid 70 per cent with land bonds in kind and 30 per cent with public enterprise stocks.⁷ But as it would be impossible for any landlord to change his occupation overnight, provision was made for the retention of three chia of medium grade land by individual landlords so that small landlords whose holdings did not exceed the retention limit⁸ might have their land exempted from compulsory purchase altogether, and big and medium landlords whose holdings exceeded the retention limit might still retain a part of their land and have something to live upon.

(b) Tenant Farmers -- Under the land-to-the-tiller programme, the Chinese Government gave to the tenant farmer not only the right of ownership over the land he was tilling, but also other forms of assistance. For example, he was allowed to pay for the land resold to him by the Government in installments spread over a period of ten years; the payments

⁷ For details, see 3. Compensation to Landlords on p. 67.

⁸ Ibid.

he had to make in each of those years would not exceed the rent he had been bearing since the introduction of farm rent reduction in 1949; a production fund was provided by Government from which loans at low rates of interest were to be extended to him, so that he might free himself from the exploitation of village loan sharks; he was also given encouragement and assistance in forms of free training, free advisory and information services to operate his farm with modern techniques on a cooperative basis. Moreover, whenever the landlord would wish to sell the land he was entitled to retain, (as discussed in (a)) the present tenant farmer would have first priority of purchase and might request the Government for loans to pay for the land. It was further provided that before the tenant farmer had purchased the land he was tilling, he would continue to be protected by the 37.5% farm lease contract he had signed with the landlord. All these provisions were designed to safeguard the best interests of the tenant farmer.

(c) Farm Lands -- The land-to-the-tiller programme in Taiwan provided for the resale of the farm land to, and its continued cultivation by, the present tenant farmer or farm hand, as the case might be. It did not try to carve the land into standardized unit farms to be resold to some arbitrarily chosen farmers, nor involve the strictly equal distribution

of land according to the ratio between the amount of available land and the size of the population. The methods actually employed did not require the exchange or subdivision of the land presently cultivated by any tenant farmer or farm hand, nor any change in his dwelling. There would not be the least disturbance in rural life when the right of ownership over farm lands under tenancy was transferred from the landlord to the tenant farmer. Such peaceful and orderly procedure⁹ as was adopted was the result of experience gained in the sale of public land in the previous years, in which the same procedure had been followed and found to be convenient and practicable. The fact was that, as a result of the enforcement of farm rent reduction measures since 1949, the tenant's rights were given ample protection and he himself came to be closely attached to the land he was tilling. Consequently, it was only natural and expedient that the present tenant cultivator or farm hand should be the purchaser of the land compulsorily purchased and resold by the Government.

This programme, in short, had the following aims:

- (1) To abolish farm tenancy
- (2) To increase farm production

⁹See Chapter II. 4. Administration on pp. 45, 46 & 47.

- (3) To improve the farmers' livelihood
- (4) To bring prosperity to the rural economy
- (5) To establish a land system in which the land belongs to the farmer.
- (6) To channel the landowners' investment from land to industry.
- (7) To harmonize the economic interests of the people and promote social security and progress

(2) Implementation of the Land-to-the-Tiller Programme

The implementation of the land-to-the-tiller programme in Taiwan was carried out by the steps which will be discussed in this section:

(a) General landownership classification

General landownership classification was an important measure for the improvement of the system of cadastral management in Taiwan. It was, especially, a basic preparation for the implementation of the land-to-the-tiller programme.

The general landownership classification was a process whereby all lands owned by any one individual in the different villages and hsien were singled out from the various local Land Registers and classified under his name. In case of necessity, an on-the-spot check might be made. In a cer-

tain sense, the general landownership classification was tantamount to an over-all rechecking of landownership which, as soon as it was completed, would give us a clear picture of the area, categories, and use of land each landowner had, and of land distribution throughout the whole province expressed in statistical figures. The data thus obtained would form the basis on which the land-to-the-tiller programme could be implemented.

The work of general landownership classification was done by the 59 Land Offices under the various Hsien and City Governments. Each of these Land Offices was responsible for landownership classification in several villages and townships. The procedure of the general landownership classification consisted of the following steps: examination and correction of the original cadastral records; compilation of Land-Record Cards; landownership classification.

According to the statistics compiled after the completion of the general landownership classification, there were by the end of June, 1952, altogether 611,193 families of landowners owing a total of 681,154 chia of private farm land. The average area of farm land per family was 1.1145 chia. All private farm land in Taiwan may be divided into three kinds in respect of the ownership: individual, joint, and corporate. Slightly more than 49 per cent of the ownership were joint

owners, about 48 per cent were individual owners, and slightly under 3 per cent were corporate owners. Table 11 shows the distribution in more details.

(b) Enactment of the Land-to-the-Tiller Act

With the completion of the work of General Land-ownership Classification, the Taiwan Provincial Government began to draw up a set of draft regulations Governing Establishment of Owner-Farmers in Taiwan; the Issuance of Land Bonds in Kind in Taiwan Province and the Disposal of Provincial Property. The draft bill and regulations were presented before the meeting of the Legislative Yuan (Parliament) on December 2, 1952. After a long period of study and discussion and several revisions, it was finally passed by the Legislative Yuan on January 20, 1953.

The Land-to-the-Tiller Act consisting of 36 articles, was divided into five chapters on General Provisions, Purchase of Farm Land by the Government, Resale of Farm Land Purchased by the Government, Restrictions and Penalties, and Supplementary Provisions. Simultaneously, two other laws were enacted of a subsidiary character entitled "Regulations Governing the Issuance of Land Bonds" and the "Transfer of Government Enterprises to Private Ownership" as mentioned above. (See Appendix 4)

(c) Administrative Organs and Working Staff.

Table 11

THE NUMBER OF FAMILIES OWNING PRIVATE FARM LAND IN TAIWAN PROVINCE:
BY KINDS OF OWNER-FAMILIES (JUNE 1952)

	Total	Number of Individual Owner Families	Number of Joint-Owner Families	Number of Corporate-Owner Families	Percentage
Total	611,193	294,355	301,344	15,494	100.00%
Number of Owner-Cultivator Families	432,292	215,481	209,257	7,554	70.73%
Number of Lessor Families	76,850	38,005	34,772	4,073	12.57%
Number of Part Lessor and Part Owner Families	102,051	40,869	57,315	3,867	16.70%
Percentage	100.00%	48.16%	49.30%	2.54%	

Source: Statistics on Landownership Classification in Taiwan, China (1952),
compiled by the Taiwan Provincial Land Bureau.

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The authorities in charge of the land-to-the-tiller programme were the Ministry of the Interior at the national level, the Land Bureau of the Civil Affairs Department at the Provincial level, and the Hsien and City Governments at the hsien and city level. The Farm Tenancy Committees of the different hsien, cities, villages, and townships were assistant agencies. Below the hsien and city level, the local Land Offices were in charge of technical work, and the Village and Township Offices were basic executive agencies.

The Taiwan Land Bank was the Financial agency for the compulsory purchase of land from landlords and its resale to farmer purchasers and for the issuance of land bonds and the payment of principal and interest thereon. It was also responsible for the transfer of government enterprise stocks to landlords in partial payment for the land compulsorily purchased from them by the government.

The Taiwan Provincial Food Bureau was the agency for the acceptance and safekeeping of payments made by farmer purchasers. It was also responsible for the issuance of payments in connection with the payment of principal and interest on the land bonds.

The whole programme was launched by employing 32,902 staffs of different levels since January 1953 and finished at the end of December the same year.

(d) Procedure

The procedure for the enforcement of the land-to-the-tiller programme was divided into 10 main items and certain sub-items to be carried out step by step according to a fixed schedule and to be completed by the end of 1953. The following list shows the nature of the various items:

1. Formulation of Practical Measures
2. Training of Working Staff
3. Popular Information and Education
4. Rechecking
5. Compilation of Lists of Land to be Compulsorily Purchased, Retained, or Resold to Farmer Purchasers
6. Screening and Approval of the Lists Compiled
7. Compulsory Purchase of Land and its Resale to Farmer Purchasers
 - a. Public Announcements
 - b. Individual Notifications
 - c. Compensation to Landlords and Payment of the 1st Installment by Farmer Purchasers
 - d. Registration of the Transfer of Landownership
 - e. Issuance of Landownership Certificates to Farmer Purchasers
8. Checking Over of Maps and Records

9. Compilation of Statistics

10. Critique and Appraisal

The work involved in "Rechecking" under item 4 was more complicated than any other. It consisted of both office and field work. In respect of the former, it included the computation of areas to be compulsorily purchased from each individual landlord, to be retained by him, or to be exempted from compulsory purchase by the Government, and of the area to be resold to each tenant farmer or farm hand. In respect of the latter, it included the investigation of all private farm lands and the surveying and physical division of individual plots of lands cultivated by more than one tenant farmer or farm hand. The preliminary results of office rechecking were subject to field investigation which served as the basis for final decisions.

(e) The Reservation and Exemption of Farm land.

To safeguard the interests of the landlords, it was stipulated by Government that a part of land might be reserved by the landlord. Reservation was classified according to type of ownership: individual ownership, joint ownership and corporate ownership. For individual ownership, paddy field of three chia or dry land of six chia could be reserved; for joint ownership, reservation was only limited to those who were old, orphans or disabled or whose ownership

was inherited, the joint owners being wife or husband, brothers or sisters. The land reserved was commensurate to that reserved for the individuals. If the corporate owners were engaged in religious services, twice as much land could be reserved. The reserved land was classified according to the location, the distance from the quarter of the landlord, the economic condition of the tenant and the condition of land use throughout the whole province. Land reserved amounted to 91,142 chia. Further, to coordinate land use of different purposes, 14,140 chia were exempted as shown in Table 12.

The land reserved for the landlords, after the calculation, was screened by the farm tenancy committee of the village, township Hsien or municipality. Land exempted had to be approved by the Provincial Government. All land other than the above two categories had to be purchased or sold. The sale of land was also through the procedures of the farm tenancy committee. Besides, this committee was also responsible for the appraisal of the purchase price. The result of screening and appraisal had to be listed and a public announcement was made of the result of land purchased and land for resale.

At the expiration of the time period of the public announcement, (thirty days) the landlord was notified in writing of the compulsory purchase. Land price and compensa-

TABLE 12
THE DIFFERENT KINDS OF LAND EXEMPTED FROM COMPULSORY
PURCHASE IN 1953

Newly reclaimed land	10,091 chia
Tenanted land lying within an area for which a city planning project has been announced	2,021
Land needed by educational and philanthropic institutions	1,280
Land required by public and private enterprises for the supply of raw materials	702
Land used for purposes of experimentation, research, or agricultural extension	<u>46</u>
Total	14,140 chia

Source: Statistics on the Enforcement of the Land-to-the-Tiller
Programme compiled by the Taiwan Provincial Land Bureau.

tion for accessory purchases were given to him, with the return of the original land certificate which may have been nullified or altered. Meanwhile, land ownership was transferred to the new owner. In total, 143,568 chia of land was compulsorily purchased; 8,567 houses and 10 million pieces of fruit and tea trees were also purchased. Table 13 shows the area purchased under the Land-to-the-Tiller Programme in Taiwan, 1953.

(3) Compensation to Landlords

In implementing the land-to-the-tiller programme in Taiwan, the Government paid the landlord for the land compulsorily purchased from him with land bonds and government enterprise stocks. Installments of the land price were also collected from the farmer purchasers in order to pay for the principal and interest of the land bonds upon maturity and to indemnify the Government for the government enterprise stocks transferred to the landlord as part compensation for his land. The compensation paid to the landlord and the land price to be collected from the farmer purchaser were two different aspects of one and the same thing and had to be well coordinated.

Compensation for land compulsorily purchased from landlords by the Government was paid 70 per cent with land bonds

Table 13
 THE NUMBER OF FARMER PURCHASER FAMILIES AND
 THE AREA PURCHASED UNDER THE LAND-TO-THE-TILLER
 PROGRAM IN TAIWAN PROVINCE, 1953

Size Class	<u>Number of Farmer Purchaser Families</u>		<u>Area of Farm Land Purchased (Chia)</u>			
	Number of Families	Percentage	Paddy Field	Dry Land	Total Area	Percentage
Under						
0.5 chia	91,980	47.21%	19,316	4,514	23,830	16.60%
0.5-1 chia	57,166	29.34%	35,684	4,906	40,590	28.27%
1-1.5 chia	23,938	2.29%	25,381	3,609	28,990	20.19%
1.5-2 chia	10,727	5.51%	15,832	2,554	18,386	12.81%
2-3 chia	7,721	3.96%	15,431	2,873	18,304	12.75%
3-4 chia	2,059	1.06%	5,504	1,464	6,968	4.85%
4-5 chia	676	0.35%	2,249	738	2,987	2.08%
5-7 chia	429	0.22%	1,531	842	2,373	1.65%
7-10 chia	97	0.05%	471	299	770	0.54%
Over 10 chia	<u>30</u>	<u>0.01%</u>	<u>136</u>	<u>234</u>	<u>370</u>	<u>0.26%</u>
Total	194,823	100.00%	121,535	22,033	143,568	100.00%

Source: Statistics on the Enforcement of the Land-to-the-Tiller Programme compiled by the Taiwan Provincial Land Bureau.

in kind and 30 per cent with government enterprise stocks. Compensation for immovable fixtures was paid entirely with land bonds.

The total area of farm land compulsorily purchased from landlords by the Government was 143,568 chia. (see Table 13) According to statistics compiled by the Taiwan Land Bank up to the end of June, 1954, the value of paddy fields was 1,272,855 metric tons of unhulled rice and that of dry land, including immovable fixtures, was 434,709 metric tons of sweet potato, both of which, if converted into monetary terms according to the respective average market prices of rice and sweet potato for the province of Taiwan as a whole in December, 1952, were equivalent to NT\$2,205,452,000.¹⁰

(4) Issuance of Land Bonds in Kind

The Taiwan Land bonds in kind were issued by the Taiwan Provincial Government. The actual work for the issuance of bonds, the amortization of principal and the payment of interest thereon were entrusted by an order of the Provincial Government to the Taiwan Land Bank.

Land bonds were divided into two different kinds; such

¹⁰Forty New Taiwan dollars equal to about one U.S. dollar

as rice bonds and sweet potato bonds. Rice bonds were used to compensate for the compulsory purchase by the Government of paddy fields, including double-crop, single-crop, and specially irrigated fields. Sweet potato bonds were used to compensate for the compulsory purchase by the Government of dry land and immovable fixtures.

The land bonds bore an interest rate of 4 per cent per annum. Both principal and interest were to be paid in equal installments spread over a period of ten years. Two semi-annual installment payments for each year would be made in all the hsien and cities except Penghu Hsien where there was only one installment payment annually.

Both principal and interest of rice bonds were paid with rice. But those rice bonds which were used to compensate for the compulsory purchase of single-crop were paid, upon maturity, 50% with rice and 50% with cash by converting the amount of rice payable into monetary terms at the current market value of rice. Still other rice bonds which were used to compensate for the compulsory purchase of three-year rotation and specially irrigated fields were paid, upon maturity, entirely with cash by adopting the same method of conversion. Similarly, all sweet potato bonds were paid, upon maturity, entirely with cash by converting the amount of sweet potato payable into monetary terms at the current market value of

sweet potato. Exactly identical methods of payment either with rice or with cash, or partly with rice and partly with cash, as the case might be, were followed by the farmer purchasers, when they made installment payments on account of the farm land they had purchased from the Government.

According to statistics compiled by the Taiwan Land Bank at the end of June, 1954, the total amount of bonds issued were:

For rice bonds: 889,123 metric tons of principal, plus 177,047 metric tons of interest, making a total of 1,066,170 metric tons including both principal and interest.

For sweet potato bonds: 315,476 metric tons of principal plus 60,749 metric tons of interest, making a total of 376,225 metric tons including both principal and interest.

In order to ensure the payment of principal and interest on the land bonds, it was provided in the "Regulations Governing the Issuance of Land Bonds in Kind", that the bonds should be secured by proceeds from the resale to the tenants of Government purchased land under the land-to-the-tiller programme and were further guaranteed by the Taiwan Provincial Treasury.

A Land Bond Redemption Guaranty Fund was also set up to be kept in a safekeeping by the Taiwan Land Bank and used to make payments to landlords in case there was a postponement

or default in the payment of installments by the land purchasers or if they were exempted from making such payments for the land they had purchased owing to crop failures or other causes.

The Guaranty Fund was to be derived from the following sources:

- A. Proceeds from the sale of public land and from fines collected in connection therewith.
- B. Fines collected according to the provisions of Article 32 of the Land-to-the-Tiller Act. (See Appendix 4)
- C. Thirty per cent of the proceeds from the resale to farmer purchasers of private farm land that had been compulsorily purchased from landlords by the Government. The other 70 per cent was earmarked for the payment of principal and interest on the land bonds issued by the Government as compensation to landlords according to the provisions of Article 15 of the Land-to-the-Tiller Act.
- D. Special sums earmarked by the Provincial Government for the Fund.
- E. Interests accruing from the Fund.

(5) Sales of Government Enterprises

Most productive enterprises on a comparatively big scale in Taiwan were operated by the Government. Before they were taken over by the Chinese Government from Japan in 1946, they had been operated either by the Japanese Government or by Japanese nationals. Immediately after the transfer, the smaller undertakings were either handed over to the competent Hsien and City Governments for continued operation or sold to private individuals. Only the bigger undertakings were retained in the hands of the Government.

To pay for 30 per cent of the compensation for lands compulsorily purchased from landlords, the Government had intended to offer the following five public enterprises for sale:

Taiwan Cement Corporation,
Taiwan Paper and Pulp Corporation,
Taiwan Agricultural and Forestry Development
Corporation,
Taiwan Industrial and Mining Corporation, and
Taiwan Fertilizer Company.

But owing to the smaller area of farm land to be compulsorily purchased by the Government, it was later found that the proceeds from the sale of four of the five corporations would have sufficed. The name of the Taiwan Fertilizer Com-

pany was therefore struck off the list of public enterprises to be offered for sale.

The total capital value of the four Corporations, as refixed, was NT\$970,000,000 divided into 97,000,000 shares. These stocks were used for the payment of the 30 per cent compensation to landlords for lands compulsorily purchased from them by the Government. Table 14 shows the details.

Table 14

THE OWNERSHIP OF THE NEW STOCKS OF THE FOUR CORPORATIONS, JUNE, 1953¹

Corporations	Government- owned shares	Private- owned Shares	Corporate- owned Shares	Total Number of Shares
Cement Corporation	24,714,828	189,702	2,095,470	27,000,000
Paper & Pulp Corporation	21,996,600	368,050	7,635,350	30,000,000
Agricultural & Forestry Develop- ment Corporation	13,882,159	784,763	333,078	15,000,000
Industrial & Mining Corporation	<u>18,408,830</u>	<u>3,354,310</u>	<u>3,236,860</u>	<u>25,000,000</u>
Total:	79,002,417	4,696,825	13,300,758	97,000,000

¹ This was before the government-owned stocks were sold to pay for the 30% compensation to landlords for lands compulsorily purchased from them by the Government, under the Land-to-the-Tiller Programme.

The face value of each share was refixed as NT\$10.

Source: The Gazette of Taiwan Provincial Government, May, 1953.

CHAPTER III

ECONOMIC CONSEQUENCES OF LAND REFORM IN TAIWAN

1. Direct Effects:

The direct effects of land reform in Taiwan may be discussed under two headings, the effects of the 37.5% farm rent limitation programme and the effects of land-to-the-tiller programme.

1) The effects of the 37.5 Farm Rent Limitation Programme:

The implementation of the 37.5% farm rent limitation programme led to far-reaching results those included (a) improvement of the tenant farmers' living conditions; (b) increase of agricultural production; (c) decline in the value of farm land; and (d) purchase of land by tenant farmers. All these contributed materially to the development of the national economy and the stabilization of rural conditions in Taiwan. They also prepared the ground for the enforcement of the land-to-the-tiller policy.

(a) Improvement of Tenant Farmers' Living Conditions.

The incomes of tenant farmers have tended to increase year by year since the enforcement of rent reduction. This has been made possible because the maximum rental rate

of 37.5% applies only to the standard amount of the annual yield as previously appraised and fixed. But the actual harvest of the main crop is likely to, and usually does exceed that standard amount year by year as a result of the strong impetus to greater production exerted by rent reduction. This increased amount accrues exclusively to the tenant farmer. Consequently, as the benefits of rent reduction kept on increasing year by year, the living conditions of the tenant farmers also became progressively better.

This fact may be aptly illustrated by Table 15.

(b) Increase of Agricultural Production.

The increased income of the tenant farmer in the post-rent reduction period not only encouraged him to greater production. According to the Study on Farm Rent Reduction in Taiwan compiled by the Chinese Research Institute of Land Economics, the results of an investigation made in January, 1950, of 1,439 tenant families cultivating double-crop paddy fields showed that as the increased income of the tenant farmer became progressively greater, the investment made in agricultural production also increased proportionately. In the previous year, the increased incomes due to rent reduction were used entirely for daily expenses by farmers cultivating less than one chia of paddy field. They invested 37 per cent of the increased income in agricultural production by farmers cultivating more than one, but less than two chia of paddy

Table 15

THE COMPARISON OF AVERAGE INCOME AND EXPENSES OF
FARMING FAMILY IN TAIWAN
1957 & 1962

<u>INCOME</u>		<u>1957</u>		<u>1962</u>		<u>INCREASED(%)</u>
Agriculture Income	NT\$	18,862	NT\$	24,639	NT\$	5,777 30.6
Other Income ⁽¹⁾		<u>5,199</u>		<u>9,865</u>		<u>4,666 89.7</u>
		24,061		34,504		10,443 43.4
 <u>EXPENSES</u> 						
Operating Expenses ⁽²⁾		9,936		11,538		1,602 16.1
Living Expenses ⁽³⁾		<u>13,028</u>		<u>20,697</u>		<u>7,669 58.8</u>
		22,964		32,235		9,271 40.3
 <u>NET INCOME</u>		 <u>1,097</u>		 <u>2,269</u>		 <u>1,172 109.7</u>

Note: (1) Other income includes: Proceeds from home-made handicrafts, and earnings from occasional farm help.

(2) Operating expenses include: Seeds, fertilizer, tools, animal feeds, land tax, water charge, and farm house repair and maintenance.

(3) Living expenses include: Food, clothing, education, and recreation, etc.

Source: Yi-Tao Wang, Agriculture Income of Taiwan in "Land Reform Monthly" May 1967, vol. 17, No. 5, p.10.

field. Farmers cultivating more than two, but less than three chia of paddy field invested 24 per cent in agricultural production; and those cultivating more than three, but less than five chia of paddy field invested 100 per cent in agricultural production. Those increased incomes were invested mostly in other enterprises by farmers cultivating more than five chia of paddy field.

In the initial period of the repossession of Taiwan by China, there was a sharp decline in agricultural production. The total volume of production, or unit productivity, in respect of the various principal crops began to go up again in 1949. The increase was especially marked in the case of hogs, cattle and poultry. Among the factors contributing to increased production were the repair and construction of irrigation facilities, the increased supply of fertilizers, the prevention or partial elimination of natural calamities and plant and animal diseases, and improvements in agricultural technique. Rent reduction was also one of the important factors.

Table 16 shows the condition of production of thirteen staple crops before and after the implementation of rent reduction in Taiwan.

Another Table of significance indicating the changed index numbers for hogs, cattle and poultry for the

TABLE 16
THE INDEX NUMBERS OF THE TOTAL PRODUCTION AND
THE PRODUCTIVITY PER CHIA OF 13 STAPLE CROPS¹
IN TAIWAN, 1940-1952

(1940-1943 = 100)

	Average Index Number of Total Production	Average Index Number of Productivity Per Chia
Average for 1940-1943	100.0	100.0
1947	82.2	76.4
1948	92.8	80.4
1949	109.4	89.1
Average for 1947-1949	94.8	81.9
1950	121.7	96.9
1951	120.6	96.8
1952	129.7	103.0
Average for 1950-1952	124.0	98.9

¹The 13 staple crops are brown rice, sweet potato, wheat, peanuts, crude tea, sugar cane, jute, soybeans, tobacco, bananas, pineapples, tonkan and radishes.

Source: Statistics compiled by the Rural Economics Division of the Chinese American Joint Commission on Rural Reconstruction.

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same period is given as follows. (see Table 17)

(c) Decline in the Value of Farm Land

As the value of land is closely connected with the amount of rent it is able to command, the reduction of rent in Taiwan had the effect of causing an immediate decline in the value of farm land leased to tenant farmers. According to a comparative study made by the Chinese Research Institute of Land Economics, the average value of paddy fields in the various hsien and cities of Taiwan had declined by 19.4 per cent from December, 1948 to December, 1949 and that of dry land by 42.3 per cent in the same period. Table 18 showing the average value per chia of paddy fields in Taitung Hsien and Pingtung Hsien before and after rent reduction is illustrative of the general tendency.

With the beginning of the work on general land-ownership classification throughout the whole province in September, 1951, it was evident that the time for the implementation of the land-to-the-tiller policy was fast approaching. At this juncture, any purchases of land were made by tenant farmers, and the sale of leased farm land was, in general, frozen. Although big and medium landlords were then anxious to part with their land, they could find no prospective purchasers. Such a state of affairs was rather favorable to the forthcoming implementation of the land-to-

TABLE 17
 THE INDEX NUMBERS FOR HOGS, CATTLE AND POULTRY RAISED,
 1940-1952

(1940-1943 = 100)

	Hogs	Cattle	Poultry
Average for 1940-1943	100.0	100.0	100.0
1947	80.4	95.7	99.5
1948	93.7	99.7	89.9
1949	109.4	114.9	100.6
Average for 1947-1949	94.6	103.4	96.6
1950	103.1	117.3	107.3
1951	181.7	120.5	117.1
1952	209.8	123.3	120.4
Average for 1950-1952	173.8	120.4	114.9

Source: Statistics compiled by the Rural Economics Division of the Chinese American Joint Commission on Rural Reconstruction.

TABLE 18

THE AVERAGE VALUE PER CHIA OF LEASED FARM LAND IN TAITUNG HSIEN
AND PINGTUNG HSIEN BEFORE AND AFTER RENT REDUCTION

	<u>1948</u>	<u>1949</u>	<u>1950</u>
9th Grade Paddy Fields in Taitung Hsien			
Value Per Chia (Kilograms of Unhulled Rice)	18,600	-	9,000
Index Number	100.0%	-	48.4%
8th Grade Paddy Fields in Pingtung Hsien			
Value Per Chia (Kilograms of Unhulled Rice)	23,880	18,480	10,920
Index Number	100.0%	77.4%	45.7%

Source: Findings of the Cabinet Rent Reduction Inspection Team published
by the Ministry of the Interior in June, 1951.

the-tiller programme.

(d) Purchase of Land by Tenant Farmers

Given the decline in land value and the increased income of the tenant farmer after the enforcement of rent reduction, and given the tenant farmer's preferential right to buy the land offered for sale by his landlord, both the number of tenant farmers who availed themselves of the opportunity to buy land and the area of farm land purchased by them kept increasing year by year. The purchasers were at first confined to a few part-owner farmers and the more well-to-do tenant farmers. But as the tenant farmers on the whole became increasingly desirous of acquiring land as a result of direct and indirect encouragements, they also began to make purchases. In the period from 1949 to 1953 inclusive, a total of 66,328 tenant families bought 35,522 chia of farm land. More purchases were made in the first half year of 1953 than at any other time because, as the land-to-the-tiller programme was implemented beginning in February of that year, some of the medium and small landlords were anxious to sell their land somewhat cheaply to get the proceeds from the sales in cash before the Government's compulsory purchase, or to get paid for their land in the fewest possible number of years. Since such sales of land to the present tenant-tillers violated neither the

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spirit nor the letter of the land-to-the-tiller policy, the Government did not attempt to interfere with them at all.

Table 19 shows the number of tenant families and the area of farm land they have purchased since the enforcement of rent reduction in Taiwan

(2) The Effects of Land-to-the-Tiller Programme

The effects of "Land-to-the-Tiller" programme may be discussed as follows:

(a) Increase of agriculture production:

Through the implementation of "land-to-the-tiller" programme, the tenant farmer now tilled the land he owned. He became more interested in devoting his time and energy to the land and to increasing farming equipment and facilities such as water pumps, drilling wells, wind-break planting and to enlarging storage barns, which would bring about greater produce of better quality. Table 20 shows the results effected by this change of farmers' attitude.

Due to the above-noted efforts, the production of unhulled rice, for instance, increased from 12,192 lbs. per chia in 1952 to 16,001 lbs. per chia in 1959.

Table 21 provides a comparison in greater detail of farming family incomes.

Table 19

THE NUMBER OF TENANT FAMILIES PURCHASING LAND AND THE AREA OF FARM LAND
PURCHASED SINCE THE ENFORCEMENT OF RENT REDUCTION, 1949 - 1953

	1949	1950	1951	1952	1953	TOTAL
Number of Tenant Families Purchasing Farm Land						
Number of Families	1,722	6,989	11,018	17,639	28,960	66,328
Percentage	2.6%	10.5%	16.6%	26.6%	43.7%	100.0%
Area of Farm Land Purchased by Tenant Farmers						
Area Purchased (Chia)	773	3,356	5,885	9,862	15,646	35,522
Percentage	2.2%	9.4%	16.6%	27.8%	44.0%	100.0%
Paddy Fields (Chia)	595	2,715	4,777	8,244	12,771	29,102
Dry Land (Chia)	178	641	1,108	1,618	2,875	6,420

Source: Statistics on the Enforcement of the 37.5% Rent Limitation Program compiled by the Taiwan Provincial Land Bureau.

Table 20

FACILITIES EMPLOYED TO IMPROVE FARM LAND USE BEFORE AND AFTER
THE IMPLEMENTATION OF THE LAND-TO-THE-TILLER PROGRAMME IN TAIWAN

Item	Total		<u>Before</u> July 1949 to June 1953		<u>After</u> July 1953 to June 1957		July 1957 to June 1960	
	Quantity	Annual Average	Quantity	Annual Average	Quantity	Annual Average	Quantity	Annual Average
Storage of Compost (S.T.)	634,271,741	57,661,067	193,520,898	48,130,225	249,733,320	62,433,330	191,017,523	63,672,508
Water Pumps Bought	4,709	428	311	78	2,484	621	1,914	638
Wells Sunk	10,650	968	1,124	281	4,343	1,086	5,183	1,727
Windbreaks Planted (in ft.)	2,836,050	257,823	434,608	108,652	1,107,710	276,928	1,293,732	431,244

Note: The figures in this table are based on statistical materials of an investigation made of 284,590 farming families purchasing public and private farm land throughout the province.

Source: Chen Cheng: Land Reform in Taiwan China Publishing Co., Taiwan, China, 1961, p. 85.

Table 21
INCREASE AND DECREASE IN INCOMES OF FARMING FAMILIES BEFORE AND
AFTER THE IMPLEMENTATION OF THE LAND-TO-THE-TILLER PROGRAMME

Year	Annual Yield (1)	Farm Land Rental (2)	Land Price & Interest (3)	Unhulled Rice in Exchange for Fertilizers (4)	(Unit: lb. of rice)		
					Land Tax in Kind	Net Income Index Number of Net Income	
1948	10,249	55%-5,637		251		4,361	100
1949	10,714	37.5%-3,843		829		6,042	138.5
1950	11,360	37.5%-3,843		1,301		6,216	142.5
1951	11,729	37.5%-3,843		1,457		6,429	147.4
1952	12,192	37.5%-3,843		1,713		6,636	152.1
1953	12,604		3,049	1,722	564	7,269	166.7
1954	12,558		3,049	2,090	564	6,855	157.2
1955	13,852		3,049	2,161	564	8,078	185.2
1956	14,542		3,049	2,249	564	8,680	199.0
1957	15,465		3,049	2,297	564	9,555	219.1
1958	15,873		3,049	2,377	564	9,883	226.7
1959	16,001		3,049	2,374	564	10,014	229.6

Note: (1) The annual yield is computed on the basis of the standard amount of production per chia (2.3967 acres) of 9th-grade paddy fields in Taoyuan county.

(2) The period of "37.5% Farm Rent Reduction Programme" 1949-1952

(3) The period of "The Land-to-the-Tiller" Programme started 1953

(4) The amounts of unhulled rice in exchange for fertilizers are based on statistics compiled by the Taiwan Food Bureau.

Source: Chen Cheng: Land Reform in Taiwan, China Publishing Co., Taiwan, China, 1961, p. 313.

(b) Improvement of farmer's living conditions.

The increased income through increased farm production brought a noticeable improvement in standards of living for the farmer. Table 22, based on surveys conducted by the Taiwan provincial government, indicates the improved living condition as expressed by the increases in clothing, housing, furniture, marriages, etc.

2. Indirect Effects

The indirect effects of the land reform may be examined under the following headings:

(1) Improved social status and growing political consciousness

Due to the successful land reform measures, the owner cultivated land increased from 1,128,357 acres (56%) in 1948 of the total arable land to 1,800,867 acres (86%) in 1959, as can be seen in Table 23.

The number of owner-farmer families also increased considerably during the period 1948-1949, as indicated in Table 24.

As the portion of owner-farmers in the total population became much greater, and as this segment also enjoyed

Table 22
IMPROVEMENT OF FARMERS' LIVING CONDITIONS BEFORE AND AFTER
THE IMPLEMENTATION OF THE LAND-TO-THE-TILLER PROGRAMME IN TAIWAN

Item	Total		Before July 1949 to June 1953		After July 1953 to June 1957		After July 1957 to June 1960	
	Quantity	Annual Average	Quantity	Annual Average	Quantity	Annual Average	Quantity	Annual Average
Clothing:								
a. New Clothes (piece)	24,828,810	10,438,983	31,274,896	7,818,724	48,259,004	12,064,751	35,324,910	11,774,970
b. Sewing Machines Bought	93,730	8,521	9,934	2,484	30,256	7,564	53,540	17,847
Housing:								
a. Houses Newly Built (square feet)	11,881,410	1,080,128	1,497,821	374,455	4,556,573	1,139,143	5,827,016	1,942,339
b. Houses Newly Repaired (square feet)	31,104,160	2,827,651	5,825,875	1,456,469	13,289,342	3,322,336	11,988,943	3,996,316
Bicycles Bought	212,251	19,296	43,178	10,795	86,173	21,543	82,900	27,633
New Furniture:								
a. Tables	168,780	15,344	24,418	6,105	57,336	14,334	87,026	29,008
b. Chairs & Stools	546,046	49,641	73,092	18,273	172,232	43,058	300,722	100,241
c. Cupboards & Wardrobes	136,379	12,398	19,478	4,870	47,090	11,773	69,811	23,270
d. Beddings & Mosquito Nets	171,361	15,578	12,036	3,009	28,815	7,204	130,510	43,503
e. Electric Lamos Newly Installed	440,369	40,034	17,385	4,346	96,168	24,042	326,816	108,939
f. Radio Sets	32,186	2,926	602	151	1,144	1,103	27,173	9,058
Marriages	217,839	19,804	42,660	10,665	98,835	24,709	76,344	25,448

Note: New clothes figure for the period from July 1957 to June 1960 is smaller than that for the period from July 1953 to June 1957 because materials used were of a better quality.

Source: Chen Cheng: Land Reform in Taiwan, China Publishing Co., Taiwan, China, 1961, p. 88.

TABLE 23

AREA OF FARM LAND AND OWNER-CULTIVATED LAND IN TAIWAN
BEFORE AND AFTER THE LAND REFORM

(Unit: acre)

Year	Area of Farm Land	Area of Owner-Cultivated Land	Percentage
1948	2,016,941	1,128,357	55.88%
1953	2,073,623	1,718,597	82.87%
1956	2,091,241	1,775,517	84.90%
1959	2,104,349	1,800,867	85.57%

Source: Chen Cheng: Land Reform in Taiwan, China Publishing Co., Taiwan, China, 1961, p. 312

TABLE 24
DIFFERENT KINDS OF FARMING FAMILIES IN TAIWAN
BEFORE AND AFTER THE LAND REFORM

Year	Total Families	Total % Families	Part-Owner-			Tenant Farmer Families	Tenant Farmer %	Farm Hand Families	Farm Hand %
			Owner-Farmer Families	Farmer Families	Farmer %				
1948	640,854	100	211,649	154,460	24.10	231,224	36.08	43,521	6.80
1953	743,982	100	385,286	169,547	22.79	147,490	19.82	41,657	5.60
1956	785,584	100	448,157	173,588	22.10	124,573	15.86	39,266	5.00
1959	818,953	100	479,391	182,121	22.23	118,890	14.51	38,551	4.70

Source: Chen Cheng: Land Reform in Taiwan, China Publishing Co.,
Taiwan, China, 1961, p. 312.

an increasingly higher living standard, the social status of owner-farmers became much more important than formerly. In order to protect and maintain his gain in the land and accompanying benefits resulting from the land reform, the farmer became more and more concerned with those political and economic policies and reforms which would affect the benefits gained from the land reform.

The increasing number of public office holders from farm families is indeed revealing as can be seen in Table 25.

(2) Greater school attendance:

Due to the farmer's better income on account of the land reform, a much higher percentage of school-age children attended school. Its significance to nation-building could hardly be overly stressed. Table 26 shows the school attendance situation for the period 1948-1959.

(3) Social Stability

The change from tenant-farmer to owner-farmer led to a change in the structure of the agricultural society. The newly emerged owner-farmers became the key stone of rural stabilization. Agriculture to this day remains the basic type

TABLE 25
 NUMBER OF HOLDERS OF PUBLIC OFFICES COMING FROM FARM FAMILIES
 BEFORE AND AFTER THE LAND REFORM IN TAIWAN

Office	1948	1953	1958	1959	1960
Village, Precinct and Neighborhood Chiefs	4,737	6,998	11,206	14,615	14,730
Public Functionaries and Schoolteachers	3,673	6,820	9,778	10,168	10,648
Delegates and Officers of Farmers' Organizations	395	1,823	1,516	5,538	5,865
Members of Farm Tenancy and Conciliation Committees	10	594	840	1,047	1,071
District or Township Chiefs	0	2	7	30	42
Members of County of Municipal Councils	15	58	122	117	114
Members of Provincial Assembly		1	3	2	4

Source: Chen Cheng: Land Reform in Taiwan, China Publishing Co., Taiwan, China, 1961, p. 314.

TABLE 26
 NUMBER OF SCHOOL-AGE CHILDREN AND ELEMENTARY SCHOOL ATTENDANCE
 BEFORE AND AFTER THE LAND REFORM IN TAIWAN

School Year	School-Age Children	Elementary School Attendance	Percentage of Elementary School Attendance
1948	1,090,121	840,783	77.10%
1953	1,116,974	980,160	87.80%
1956	1,306,058	1,225,317	93.80%
1959	1,777,748	1,696,641	95.44%

Source: Chen Cheng: Land Reform in Taiwan, China Publishing Co., Taiwan, China, 1961, p. 314.

of industry in Taiwan. Hence, the stability of the agricultural sector ensures the stability for the society as a whole.

In the Asiatic countries today, a politically and economically stable society in turn can serve as the best measure for preventing communist agitation or "revolution" from taking place.

The land reform was also fruitful in correcting the idea and practice that wealth can be gained without actually working for it, such as many landlords had been practicing by "exploiting" the tenant farmers, and its harmful economic and social consequences. It has encouraged the creative spirit and injected assense of social justice into the minds of the people.

(4) Promotion of Industrial Development

Since the implementation of the land-to-the-tiller programme, the government decided to offer for sale to private investors the four big corporations which absorbed land capital of NT\$660,000,000 for industrial development, as discussed in Chapter II.

In addition, speculation in land has ceased to be a profitable practice for the investors and a substantial part

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of this type of investment has turned to industries which, as a result, have greatly benefitted.

CHAPTER IV

EVALUATION OF LAND REFORM

1. Shortcomings of Land Reform

The Land Reform Programme in Taiwan was not without limitations and demerits. Certain questions arise.

1. How can the tiller be enabled to keep the land he has now acquired, so that the tenancy system may not be revived? This is by no means a simple question. With the application of labor and capital and after being improved upon and utilized, land becomes a capital good. Being a capital good, it cannot be prevented from being transferred from one individual to another in an ever-changing society. The proper questions to be asked are: Will the transferee be the actual cultivator? Will the land eventually fall into the hands of a non-cultivator?

2. Furthermore, fragmentation often goes with the transfer of land. As it is, land in Taiwan is already divided into very small parcels. According to an investigation of 16 townships scattered throughout the Island made by Mr. Arthur F. Raper¹ by a sampling method in 1952, each owner-farmer

¹Arthur F. Raper, Rural Taiwan - Problem and Promise (Taipei, TAIWAN: Chinese-American Joint Commission on Rural Reconstruction, July 1953) p. 147.

owned on an average 14 parcels of land which, taken together, made up only 1.1 hectares; and each tenant farmer operated on an average 9 parcels which, taken together, made up just about 1 hectare. Such a state of affairs tended to result in poor land utilization. How can further subdivisions of land be prevented, and how can small parcels of land be integrated by encouraging their owners to exchange with one another piece for piece? These are serious questions that remain to be tackled.²

3. When the land reform programme was completed in 1952 there were still 100,000 chia of tenanted land retained by landlords under the land-to-the-tiller programme to be converted into owner-cultivated land. There was also the question whether the 40,000 odd chia of public land being administered by public enterprises, government departments, and educational institutions could also be offered for sale to farmer purchasers.

4. In the traditional Chinese society, the landlords were the elements in the society that handled loans and relief for the peasants during bad years. Now, with the landlords gone, who was to assume this role? And if the gov-

²Main-sheh Chen, The Land Policy of Taiwan in "Land Reform Monthly", February 1967, vol. 17, No. 2, p. 12.

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ernment was to assume this responsibility, would they be able to shoulder this financial burden?

It is therefore clear that, in any survey of the future of land reform in Taiwan, one will find that there are yet a number of questions to be taken into account, even though all the basic problems were solved around 1953 when the programme was completed.

2. The Future of Land Reform in Taiwan

In order to maintain the achievement of the land reform in Taiwan much is yet to be done to rectify or improve the above-mentioned shortcomings.

The following recommendations include some of the most important measures that need to be adopted as a follow-up for the land-to-the-tiller programme:

(1) Protection of Owner-Farmers. The following measures seem to be called for in order to prevent owner-farmers from sinking to the status of tenant farmers, or owner-cultivated land from becoming tenanted land.

- A. As a matter of principle, no owner-cultivated land should be leased to tenants for cultivation.
- B. Whenever any owner-cultivated land is offered for sale, it must be approved by the Government and the purchaser must be one who is able to undertake its cultivation himself.
- C. Whenever any owner-cultivated land is to be transferred through inheritance, it should be transferred only to that heir who is able to undertake its cultivation himself. Any heir who is unable or unwilling to undertake its cultiva-

tion himself should be compensated for his share of the inheritance by the other heir to whom the said land is actually transferred.

- D. Whenever any owner-cultivated land is encumbered or mortgaged, a maximum limit should be set on the liabilities to which it can be subject.
- E. Whenever any owner-cultivated land is to be turned over to some use other than farming, it should be used only for industrial purposes or for the construction of the owner's dwelling house.
- F. Whenever any farmer-purchaser under the land-to-the-tiller programme turns to some other occupation or migrates to another district and is, therefore, in no position himself to undertake the cultivation of the land he has purchased, the land should be taken back by the Government to be resold to a different farmer-purchaser.

Some of these suggested measures are embodied in laws and regulations now in force, but some are not. In order to give better protection to owner-farmers, it would be necessary to enact another law or draw up a new set of regulations so that the competent authorities might have something to fall back upon. Being simple and innocent, the farmers might be easily fooled by deceptive offers of immediate gain

and secretly agree to sell or lease their land to other persons. Some system of periodic inspection and rechecking should be set up to forestall any such illicit transactions.

(2) Assisting Tenant Farmers to purchase the Landlords' Retained Land.³ After the land reform programme was carried out, the provincial government of Taiwan and the Taiwan Land Bank vigorously assisted the tenant farmers to purchase the land left behind by the landlords as a result of the programme. For instance in 1964, loans totaled NT.\$11,282,636 were made to the 646 farmers families so they could purchase 375.280 chia (or 386,920 hectares) of farm land which included part of that landlords' retained land as mentioned before.⁴ According to the China Yearbook, 1966-67, up to June 1966 the Land Bank of Taiwan made loans totaling NT.\$24,425,000 for the purchase of farm land and NT.\$519,820,000 for land improvement such as the repairing for irrigation system, the consolidation of lands, and the research of the conservation

³The landlords' retained land was 100,000 chia in 1952, until March 1967 still shown as 79,169 chia, for detail see Sun-chang Chen: When the Rest 30% Tenant Farmers can Have Their Own Land? in "Land Reform Monthly", March 1967, vol. 17, No. 3, p. 25.

⁴China Yearbook 1965 (Chinese Edition) Taipei, Taiwan, p. 451.

of water and soil, etc.⁵

The 40,000 odd chia of tenanted public land, which is mostly poor in fertility, should not be sold to the present cultivators before proper improvements have been made thereon. The 70,000 odd chia of public land presently administered and cultivated by public enterprises, which is being held mostly in the hands of the Taiwan Sugar Corporation, cannot be earmarked for sale to farmer-purchasers for the time being because it is needed as a source for the supply of raw materials for this public enterprise.

(3) Control of Land Use - The pressure of population on the limited territory of Taiwan has been mentioned in Chapter I. As most of the farming families are only cultivating less than one chia of land each, any further subdivision of the farm lands would simply aggravate the irrational use of land and reduce agricultural production, thus undoing many of the beneficial results of land reform. On the one hand a fundamental solution of the problem should be sought by promoting the industrialization of Taiwan and diverting a part of the agricultural labor force to industrial, mining, communication and transportation enterprises. On the other

⁵China Yearbook 1966-67 (English Edition) China Publishing Co., Taipei, Taiwan, p. 285

hand, remedial measures should be adopted to control the use of land by undertaking a province-wide investigation of all natural resources and marginal agricultural and forestry lands to determine the use for which any particular piece of land is most suitable. Its use for a different purpose should be forbidden in order to prevent soil erosion and to conserve the productive power of the land.

In regions most suitable for agriculture, the Government should prescribe the minimum unit size of farms and prohibit any subdivision of such units. At the same time, it should also encourage farmers to integrate their lands by exchanging with one another piece for piece and gradually to expand the size of their farms in order to increase production, all on a cooperative basis.

(4) Loans of Working Capital - The Government should make available low interest loans to the farmer, either through private banks or the Taiwan Land Bank, as working capital for purposes such as the purchase of seeds, farming animals, the repair of farmhouse and farm storage.

(5) Other Farm Assistance Legislation and Programmes - The Government should set up an insurance programme to protect the farmers from bad harvest years, and to guarantee a minimum income to the farmer. Moreover the farm product prices should be regulated or subsidized by the Government so that a good harvest will not result in a loss to the farmer.

CONCLUSION

The definition of land reform, according to Isador Lubin, is as follows:

"... land reform comprises improvement in all the social and economic institutions surrounding farm life. It embraces the redistribution or consolidation of holdings into plots of efficient size; the reduction of exorbitant rental charges; security of tenure for the tenant; and the improvement of working conditions for farm laborers. It embraces the settlement of title to water and land. It embraces reform of the tax system; measures to assure agricultural credit on reasonable terms; and the establishment of rural industries. It also involves the establishment of cooperative societies for common purchase, marketing and credit. In short, land reform means a positive program for more effective use of the land for the benefit of the agricultural population."¹

The land reform in Taiwan can be considered very successful on account of the fact that the achievement satisfies the above-noted criteria. The accomplishment of land reform in Taiwan has already been related in the previous chapters, and the factors contributing to the success of the programme may be summarized in the following manner:

1. The serious effort of the Chinese government and people in Taiwan to make the land reform a success for practical, social and economic considerations as well as a political

¹Isador Lubin, "Two Patterns for Land Reform: The Free World vs The Soviet" in The Department of State Bulletin, Vol. XXVII, No. 704, December 22, 1952, p. 991.

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stratagem to combat communism.

2. Industries in Taiwan taken over from Japanese after the Second World War, such as the four state-owned industrial corporations, rendered sufficient funds for the implementation of the land reform programme. The other Southeast Asian countries have been experiencing difficulty in carrying out similar land reform programmes due to lack of financial resources.

3. U.S.A. assistance through the Joint Committee of Rural Reconstruction played a vital role in forming the policy and programme of land reform.

While land reform in the rural areas of Taiwan has been completed, the programme for the urban areas is scheduled to be launched in 1967. A successful implementation of this latter programme will mean that in the near future, land in Taiwan will cease to be an economic problem, and the economy of Taiwan will make even greater progress.

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APPENDIX 1

Different Kinds of Farming Families in Taiwan, 1940 to 1952

Year	Owner Families	Percentage	Part Owner Farmer Families	Percentage	Tenant Farmer Families	Percentage	Farm Hand Families	Percentage	Total
Average for 1940-1943	140,091	31.2%	133,331	31.0%	169,243	37.3%	-	-	443,220
1947	174,937	28.5%	152,716	24.9%	225,655	36.3%	60,177	9.8%	613,435
1948	211,449	33.0%	154,450	24.1%	231,224	36.1%	43,521	6.8%	640,354
1949	224,373	33.7%	153,553	23.5%	239,939	36.1%	44,259	6.7%	665,134
Average for 1947-1949	203,655	31.3%	154,573	24.2%	232,273	36.3%	49,319	7.7%	639,825
1950	231,111	33.9%	162,573	23.8%	244,373	35.3%	44,405	6.5%	682,467
1951	249,350	35.4%	167,952	23.3%	243,313	34.4%	45,070	6.4%	706,195
1952	262,065	35.1%	177,113	24.4%	240,572	33.2%	45,296	6.3%	725,046
Average for 1950-1952	247,675	35.1%	169,216	24.0%	242,754	34.5%	44,924	6.4%	704,569

Source: Taiwan Agricultural Yearbook, 1950, 1951 and 1952 editions compiled by the Taiwan Provincial Department of Agriculture and Forestry (for figures of owner-farmer, part-owner-farmer, and tenant farmer families covering 1940-1951); Taiwan Statistical Abstract, No. 11, compiled by the Taiwan Provincial Bureau of Accounting and Statistics (for figures of farm hand families covering 1947-1951); and statistical materials compiled by the Provincial Department of Agriculture and Forestry (for all figures covering 1952).

THE FARM RENT REDUCTION TO 37.5% ACT

(Passed by the Legislative Yuan, May 25, 1951; promulgated by the President of the Republic of China, June 7, 1951)

Article 1. The lease of farm land shall conform to the provisions of this Act. Matters not provided for in this Act shall be governed by the provisions of the Land Law and the Civil Code.

Article 2. The amount of farm rent shall not exceed 37.5 per cent of the total annual yield of the principal product of the main crop. If the rent originally agreed upon exceeds 37.5 per cent, it shall be reduced to 37.5 per cent; and if it is less than 37.5 per cent, it shall not be increased.

In the preceding paragraph, the term "main crop" shall mean the crop most commonly grown or the rotation crop actually grown according to local farming practices, and "principal product" shall mean the chief article for which the crop is grown.

Article 3. A Farm Tenancy Committee* shall be established by each Hsien or Municipal Government and by each Village (*hsiang*), Township (*chen*), or District (*chu*) Office. The number of members representing tenant farmers on the Committee shall be no fewer than the total number of members representing landlords and owner-farmers. Rules for the organization of such Committees shall be drawn up by the Provincial Government and submitted to the Executive Yuan for approval.

Article 4. The standard amount of the total annual yield of the principal article of the main crop of a farm land shall be appraised, with reference to the grade to which it belongs, by the Farm-Tenancy Committee of the Village, Township or District Office, and the amount appraised shall be submitted to the Farm Tenancy Committee of the Hsien or Municipal Government for confirmation, and to the Provincial Government for final approval.

Article 5. The period for which any farm land is leased shall not be shorter than six years. If the period originally agreed upon is longer than six years, it shall remain unchanged.

Article 6. After the enforcement of this Act, all farm lease contracts shall be made in writing, and the lessor and the lessee shall jointly apply for the registration of the signing, revision, termination, or renewal of their farm lease contract.

Rules governing the registration referred to in the preceding paragraph shall be drawn up by the Provincial Government and submitted to the Executive Yuan for approval.

* "Farm Tenancy Committee" is a literal translation of the Chinese term 耕地租佃委員會, which is elsewhere (e.g., in the Land-to-the-Tiller Act) translated as "Land Commission."

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Article 7. The amount, kind, quality and standard of farm rent, the date and place of payment and other relevant matters shall be specified in the lease contract. If the rent payable in kind is to be delivered by the lessee, the lessor shall pay for the cost of delivery according to the distance covered.

Article 8. The lessee shall pay the rent when due. On accepting the rent paid in kind, the lessor shall make measurement thereof only with officially certified measures of volume or weight.

Article 9. If some other crop is planted instead of the stipulated main crop during its growing season, the lessee shall nevertheless pay the rent in terms of the stipulated main crop; but he may, with the consent of the lessor, pay the rent either in cash or in terms of the crop actually planted, by duly converting it at the local market price at the time of payment.

Article 10. If the lessor refuses, without adequate cause, to accept the rent paid according to the provisions of this Act and the terms of the lease contract, the lessee may, with the cognizance of the Hamlet (*tsun*) and Section (*li* or *pao*) Chiefs and of the farmers' association, deliver the crop rent to the Village, Township or District Office for safekeeping, and notify the lessor to pick it up within ten days. If he fails to do so, the said Office may, if necessary, sell the crop by tenders at the current local market price, and hold the proceeds therefrom in safekeeping for the lessor. This procedure shall have the same validity as a formal lodgement in a court of law.

Article 11. If a crop failure on any farm land is caused by natural disaster or other *force majeure*, the lessee may request the Farm Tenancy Committee of the Village, Township, or District Office to investigate and ascertain the extent of the crop failure and to decide on measures for the reduction of rent, and the Committee must take action within three days.

If a general crop failure occurs in any given area, the Committee shall immediately investigate and ascertain the extent of the crop failure in the area affected and submit a report thereon to the Farm Tenancy Committee of the Hsieh or Municipal Government with the request that measures for the reduction of rent be adopted.

If, owing to crop failure, the total yield is less than 30 per cent of the normal yield, the entire rent payment shall be remitted.

Article 12. The farmhouse of the lessee which has been originally provided unconditionally by the lessor shall continue to be used by the lessee after the enforcement of this Act, and the lessor shall not, under whatever pretext, refuse such use or charge any fee therefor.

Article 13. The lessee may freely make special improvements on the leased farm land, but shall give the lessor a written notice of the particulars and the amount of the outlay incurred. When the farm land is returned to the lessor on the termination of the lease contract, he shall repay to the lessee the cost of that part of the improvements which has not yet lost its utility.

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The "special improvements on farm land" referred to in the preceding paragraph shall mean improvements resulting from the increased application of labour and capital which, besides preserving the original qualities and utility of the land, increases its productivity or facilitates its cultivation.

Article 14. The lessor shall not collect the farm rent in advance or demand any security deposit. Any security deposit already paid before the enforcement of this Act shall be returned to the lessee in installments or deducted in installments from the rent payable by the lessee.

If the deposit referred to in the preceding paragraph has been paid in cash, it shall be converted into terms of farm products by the Farm Tenancy Committee of the Hsien or Municipal Government at the local market price of the time when the deposit was paid.

Article 15. If a farm land is offered for sale or *dien*, the lessee shall have the preferential right to accept the offer and the lessor shall give him a written notice of the terms thereof. If the lessee makes no written reply to the said offer within 15 days, he shall be deemed to have waived his preferential right.

If the said farm land is offered for sale or *dien* for the second time at a lower price because no one has accepted the sale or *dien* at the original price, the lessor shall be again required to comply with the provisions of the preceding paragraph.

If the lessor signs a contract with a third party in violation of the provisions of the preceding two paragraphs, the contract shall be invalid as against the lessee.

Article 16. The lessee shall cultivate the leased land himself and shall not sublease the whole or part thereof to another person.

If the lessee violates the provisions of the preceding paragraph, the lease contract shall become null and void, and the lessor may take back the leased land for his own cultivation or lease it to another person. If such violation occurred before the enforcement of this Act, the actual cultivator of that part of the land which has been subleased and the original lessee cultivating the other part which has not been subleased shall, individually and separately, sign new lease contracts with the original lessor, and these new contracts shall expire on the date when the original contract expires.

If, during the period of the lessee's military service which causes a shortage of farm labor, he entrusts the whole or part of the leased farm land to another person for cultivation, the land so entrusted shall not be regarded as having been subleased.

Article 17. Farm lease contracts shall not be terminated before the expiration of the period of the contracts, except under any one of the following conditions:

- (1) If the lessee dies without leaving an heir.
- (2) If the lessee waives his right of cultivation by migrating elsewhere or changing his occupation.

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- (3) If the cumulative amount of the farm rent the lessee has failed to pay is equivalent to the total of two years' rent.

Article 18. The termination of a farm lease contract shall take place after the harvest season and before the next planting season, unless there are special local customs to the contrary.

Article 19. The lessor shall not take back the leased land for his own cultivation on the expiration of the period of the lease contract under any one of the following conditions:

- (1) Where the lessor is unable to cultivate the land himself.
- (2) Where the lessor's total income is sufficient to support his family.
- (3) Where the lessor's action in taking back the land will deprive the lessee's family of its subsistence.

In case the lessor's total income is insufficient to support his family and at the same time the situation mentioned in Section (3) of the preceding paragraph is bound to arise, he may request the Farm Tenancy Committee of the Village, Township or District Office for conciliation.

Article 20. If, on the expiration of the period of the farm lease contract, the lessee is willing to continue the lease, the contract shall be renewed, unless the lessor takes back the land for his own cultivation in accordance with the provisions of this Act.

Article 21. The lessor who forces the lessee to waive his right of cultivation by violence or duress shall be punished with imprisonment for a term of three years or less.

Article 22. In any one of the following cases, the lessor shall be punished with imprisonment for a term of one year or less or with detention:

- (1) If he terminates the lease contract in violation of the provisions of Article 17.
- (2) If he takes back the land for his own cultivation in violation of the provisions of Article 19.
- (3) If he refuses to renew the lease contract in violation of the provisions of Article 20.

Article 23. In any one of the following cases, the lessor shall be punished with detention, or a fine of 200 dollars or less:

- (1) If he collects excessive rent in violation of the provisions of Article 2.
- (2) If he collects rent in advance or demands security deposit in violation of the provisions of Article 14.

Article 24. The lessee shall be punished with detention or a fine of 200 dollars or less, if he violates the provisions of Paragraph one of Article 16.

Article 25. If the lessor transfers the ownership of the leased land to, or

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creates a *dien* over it in favor of, a third party before the expiration of the period of the lease contract, the contract shall remain valid in respect of the transferee or *dien*-holder, and the transferee or *dien*-holder shall, jointly with the original lessee, apply for the registration of the revision of the said contract.

Article 26. If any dispute concerning the lease of a farm land arises between the lessor and the lessee, it shall be submitted to the Farm Tenancy Committee of the Village, Township or District Office for conciliation. In case of the failure of conciliation, the dispute shall be submitted to the Farm Tenancy Committee of the Hsien or Municipal Government for re-conciliation. In case of the failure of re-conciliation, the latter Committee shall transfer the dispute to the judicial authorities, who shall immediately deal with it without charging any judicial fees therefor.

No judicial action shall be taken in regard to the dispute referred to in the preceding paragraph, before it has been submitted to conciliation and re-conciliation. If the dispute is settled by conciliation or re-conciliation, a written statement to that effect shall be issued by the Farm Tenancy Committee of the Hsien or Municipal Government.

Article 27. If either of the parties to a dispute, for which a conciliation or re-conciliation has been effected according to the provisions of the preceding Article, fails to fulfill his obligations, the other party may request the competent local judicial authorities for compulsory enforcement and he shall not be required to pay any enforcement fee.

Article 28. The provisions of this Act shall, *mutatis mutandis*, apply to farm lands subject to perpetual lease (*yungtien*).

Article 29. After the enforcement of this Act, the Provincial Government shall, with due consideration of local conditions, formulate measures for the protection of farm hands and submit them to the Executive Yuan for approval.

Article 30. The regions in which this Act shall be enforced shall be announced by the Executive Yuan by decree.

Article 31. This Act shall come into force from the date of its promulgation.

APPENDIX 3

Translation

REGULATIONS GOVERNING THE SALE OF PUBLIC FARM LANDS TO ESTABLISH OWNER-FARMERS IN TAIWAN PROVINCE

(Approved by the Executive Yuan, June 4, 1951; promulgated by the Taiwan Provincial Government, June 15, 1951)

Article 1. To govern the sale of public farm lands (hereinafter referred to as public lands) to establish owner-farmers, the present Regulations are hereby drawn up by the Taiwan Provincial Government.

Article 2. Public lands for sale shall be limited to those farm lands lying within the Province of Taiwan that are owned by the National Government or the Provincial Government.

Article 3. Where the public lands for sale are owned by the National Government, the annual proceeds therefrom shall be turned over to the National Treasury as an Owner-Farmers Promotion Fund; and the Taiwan Provincial Government shall, at the end of each fiscal year, make the necessary transfers of accounts according to law. Where the public lands for sale are owned by the Provincial Government, all proceeds therefrom in excess of the farm rent originally collected shall also be credited to the Owner-Farmers Promotion Fund. Rules for the administration of the said Fund shall be separately prescribed.

Article 4. In the sale of public lands, the Land Bureau of the Department of Civil Affairs, Taiwan Provincial Government, shall be the responsible authority and the different Hsien and Municipal Governments shall be executive agencies.

Article 5. A Committee for the Establishment of Owner-Farmers shall be set up by each Hsien or Municipal Government to assist in the sale of public lands to promote owner-farmers, and rules for the organization of the said Committee shall be separately prescribed.

Article 6. Public lands shall be sold to applicants according to the following order of priority:

- (1) Present tenant cultivator of public land.
- (2) Farm hand.
- (3) Tenant who is cultivating insufficient land under lease.
- (4) Part-owner who is cultivating insufficient land.
- (5) Person who was originally an interested party in public land and who, having no land to cultivate now, is in need of some for cultivation.
- (6) Person who changes his occupation and becomes a farmer.

If there are several applicants to purchase the same piece of public land, the choice shall be made by the Committee for the Establishment of Owner-Farmers.

Article 7. The standard area of public land to be purchased by a farming family shall be:

- (1) One half to two chia of paddy field.
- (2) One to four chia of cultivated dry land.

The Hsien or Municipal Government shall group the different grades of public lands of different categories into three classes, and shall, according to the aforesaid standard, fix a definite area for each class of public land to be purchased by a farming family; but if the applicant is a tenant farmer of the public land lawfully leased to him, he may be allowed to purchase such area as is originally leased.

Article 8. The sales price of public land shall be calculated in terms of farm products at 2.5 times the total annual yield of the main crop fixed for each grade of such land.

The sales price referred to in the preceding paragraph shall be fixed by the local Committee for the Establishment of Owner-Farmers and reported through the Hsien or Municipal Government to the Provincial Government for reference.

Article 9. The sales price of public land shall be paid by the purchaser in installments in ten years, and each annual payment plus the farm land tax or the land tax shall not exceed 37.5 per cent of the total annual yield of the main crop of the land purchased, but the purchaser may shorten the period of payment, if he wishes to pay off the total price at an earlier date. Rules for such earlier payment shall be separately prescribed.

Article 10. The purchaser of public land shall make the annual payment of the land price in two half-yearly installments without fail.

The land price shall, in general, be paid in farm products, but may be paid in cash by converting the amount payable in kind into monetary terms according to the market price announced by the local Hsien or Municipal Government.

Article 11. The purchaser of public land shall be exempted from paying rent thereon from the year when the land is purchased, but he shall begin from the same year to pay the farm land tax or the land tax.

Article 12. The purchaser of public land shall acquire its ownership when he has fully paid the total land price within the prescribed period, and a landownership certificate shall be issued to him in exchange for the purchase certificate.

Article 13. The purchaser of public land shall not transfer the purchased land to another person without government approval, except in case of lawful inheritance. If he offers it for sale owing to his inability to undertake its cultivation, the Government may redeem the land at the original purchase price; and if special improvements have been made on such land, he may be compensated for that part of the improvements which has not lost its utility. If the purchaser dies without

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leaving a lawful heir, the Government shall take back the said land.

Article 14. The procedure for implementing the sale of public lands shall be as follows:

- (1) Delimitation of the public lands to be offered for sale.
- (2) Public announcement calling for applicants.
- (3) Examination of the status of applicants.
- (4) Collection of the first installment of the land price and issuance of purchase certificates.
- (5) Issuance of landownership certificates in exchange for the purchase certificates, after the total price has been paid.

Article 15. If any purchaser of public land comes under any one of the following conditions, his purchase may be annulled and the land purchased may be taken back by the Government without refunding to him any part of the purchase price he has paid.

- (1) If he has purchased the land under the assumed name of another person.
- (2) If he does not cultivate the land himself.
- (3) If he transfers the land in violation of the present Regulations.
- (4) If he fails to pay the land price, the farm land tax, or the land tax without lawful grounds.
- (5) If he violates the present Regulations and other relevant regulations.

Article 16. The present Regulations shall come into force from the date of their approval by the Executive Yuan.

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Translation

THE LAND-TO-THE-TILLER ACT

(Passed by the Legislative Yuan, January 20, 1953, and promulgated by the President of the Republic of China, January 26, 1953; amended by the Legislative Yuan, April 6, 1954, and promulgated by the President of the Republic of China, April 22, 1954)

Chapter I. General Provisions

Article 1. For the implementation of the Land-to-the-Tiller Policy, this Act is hereby adopted.

Matters which are left unprovided for in this Act shall be governed according to provisions of the Chinese Land Law and other related laws.

Article 2. The responsible organs for enforcing this Act shall be the Ministry of Interior for the Central Government, the Land Bureau of the Department of Civil Affairs for the Provincial Government, and the Hsien (or Municipal) Government for the Hsien (or Municipality).

Article 3. After this Act goes into effect, the present Land Commission in each Hsien (or Municipal) Government and in each Village and Township Office shall assist in the execution of this Act.

Article 4. The term "present tillers," as used in this Act, shall mean tenant farmers and farm hands.

Article 5. The term "cultivated land," as used in this Act, shall mean privately owned paddy field and privately owned cultivated dry land.

Article 6. The term "landlord," as used in this Act, shall mean a landowner who rents his land to other person or persons for cultivation. Any land, which the owner does not till by himself or which is tilled largely by the owner's farm hands, shall be deemed to be tenant land, except that portion under the owner's own cultivation. However, orchards, tea plantations, land used for growing industrial materials or land under mechanical cultivation, and land under reclamation, though operated by farm hands, shall not be considered as tenant land.

A landowner or his dependent who entrusts his land to others for cultivation because he or his dependent is in military service, shall be considered as an owner-cultivator during the service period.

Article 7. The landlord from whom land shall be purchased for this Land-to-the-Tiller Program by the Government or by whom part of his land may be retained in accordance with this Act shall be the landowner who has been registered as chief of his household in the government land cadastre as of the first day of April 1952. Land transfers effected after April 1, 1952 shall not be recognized except for the following:

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- (1) Land transferred by act of succession.
- (2) Land transferred as a result of court decision made prior to the effective date of this Act.
- (3) Land purchased by its present tiller or tillers.
- (4) Land compulsorily purchased by the Government in accordance with law.

Chapter II. Government Purchase of Cultivated Land

Article 8. Tenant cultivated land of the following categories shall be purchased by the Government for resale to the present tiller or tillers:

- (1) Land owned by the landlord in excess of the retention acreage prescribed in Article 10 of this Act.
- (2) Land under joint ownership.
- (3) Private portion of any land owned jointly by private individuals and the Government.
- (4) Land under Government trusteeship.
- (5) Land owned by private individuals or family clans for purposes of ancestral worship and land owned by religious institutions.
- (6) Land owned by the Shenming Hui* and land owned by other juristic persons and corporate bodies.
- (7) Land which the landlord does not wish to retain and requests the Government to purchase.

The land referred to in Sections (2) and (3) above may be retained, upon Government approval, by its lessor in accordance with the retention standards set forth in Article 10 of this Act, if the lessor is old and infirm, widowed, orphaned, or disabled and depends upon the land for his or her livelihood; or if a joint ownership of the land originally under individual ownership is created by act of succession with the joint owners being husband and wife, or brothers and sisters of blood relationship.

The retention acreage for land owned for ancestral worship and land owned by religious institutions referred to in Section (5) above, shall be twice as much as the retention acreage allowed for individual landlord. However, the right to retain such land shall be accorded only to those ancestral worship bodies and religious institutions which are already established prior to the effective date of this Act.

Article 9. Cultivated land of the following categories shall not be subject to purchase by the Government under this Act, when approved by the Provincial Government:

- (1) Tenant land within the announced area of city planning.

* The Shenming Hui is a popular religious association in Taiwan.

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- (2) Newly reclaimed land and land on which crop harvests are obviously unreliable.
- (3) Land used for experiment, research, or agricultural extension purposes.
- (4) Land needed by educational and philanthropic institutions.
- (5) Land required by public and private enterprises for growing necessary raw materials.

The Provincial Government, in granting the approval, shall report such approval to the Executive Yuan.

Article 10. After the effective date of this Act, the acreage of tenant cultivated land to be permitted to be retained by a landlord shall be 3 chia of paddy field of 7th to 12th grade, inclusive. Retention acreage for paddy field and dry land of other grades shall be converted according to the following scales:

- (1) Every $\frac{1}{2}$ chia of paddy field of 1st to 6th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.
- (2) Every $1\frac{1}{2}$ chia of paddy field of 13th to 18th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.
- (3) Every 2 chia of paddy field of 19th to 26th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.
- (4) Every 1 chia of dry land of 1st to 6th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.
- (5) Every 2 chia of dry land of 7th to 12th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.
- (6) Every 3 chia of dry land of 13th to 18th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.
- (7) Every 4 chia of dry land of 19th to 26th grade inclusive shall be equivalent to 1 chia of paddy field of 7th to 12th grade inclusive.

The land to be retained shall be examined and defined by the Village or Township Land Commission according to the above scales of retention, with the results thereof reported to the Hsien (or Municipal) Land Commission for clearance and then forwarded to the Hsien (or Municipal) Government for approval. The Land Commissions, in making the examination and clearance, may set the actual retention acreage at 10% more or less than the prescribed scales, as may be necessitated by the shape and terrain of the land in question.

A landlord who does not wish to retain the land may request the Government to purchase such land.

Article 11. In case a landlord's holdings consist of land leased out and land under self-cultivation, the retained portion of the land leased out, together with the acreage of land under self-cultivation, shall not exceed the retention limit referred to in the previous Article. If the acreage of land under self-cultivation already

exceeds the retention limit, no portion of the land leased out shall be retained by the landlord.

Article 12. One year after the effective date of this Act, the present tiller, if he wishes to purchase the landlord's retained land referred to in Article 10 of this Act, may request the Government for loans. Procedures for granting such loans shall be formulated by the Provincial Government and submitted to the Executive Yuan for approval. When a landlord wishes to sell his retained land, the present tiller on such land shall have first priority of purchase. The purchase price of such land shall be negotiated by the parties concerned, or decided by a ruling of the Land Commission in case the negotiation fails.

Article 13. Farmhouses, drying grounds, ponds, fruit trees, bamboos, woods etc., and sites thereof which are accessory to the land under Government purchase and are used by its present tenant farmer shall be purchased by the Government together with the land.

The purchase price of the above accessory properties and their sites shall be appraised by the Village or Township Land Commission, agreed upon by the Hsien (or Municipal) Land Commission, and approved by the Provincial Government. The purchase price of such accessory properties and their sites shall be included in, and paid together with, the purchase price of the land. When local custom requires no compensation for such accessory properties, the local custom shall prevail.

Article 14. The purchase price of the land shall be 2.5 times the amount of its total annual main crop yield for the respective land grades.

The amount of the total annual main crop yield mentioned above shall be calculated according to the standards as appraised and approved in the various localities during the 37.5% rent reduction program period.

Article 15. The purchase price for the land shall be paid 70 per cent in land bonds in kind and 30 per cent in Government enterprise stock shares.

Article 16. Land bonds in kind shall be issued by the Provincial Government in accordance with law. They shall bear interest at the rate of 4 per cent in kind per annum and shall be redeemable in equal annual amounts over a period of ten years. The actual handling of the issuance, redemption, and interest payment of the land bonds shall be entrusted to the Land Bank in the province.

Holders of these said bonds shall be exempt from paying the stamp tax, the income tax on interests, and the household tax as a special tax.

Article 17. The procedures for Government purchase of cultivated land shall be as follows:

- (1) The Hsien (or Municipal) Government shall investigate the land to be purchased, prepare a list thereof and announce it to the public for a period of 30 days.
- (2) Upon discovering any errors in the said list, the owner of any land, which is to be purchased by the Government, and other parties concerned may,

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within the stipulated period of public announcement, request the local Government to correct the errors.

- (3) After the expiration of the period of public announcement, the Hsien (or Municipal) Government shall notify the landowner to surrender, within a prescribed period, the ownership certificate and other relevant documents. If the landlord fails to surrender such certificate and relevant documents, they shall be declared null and void.
- (4) The landowner, after surrendering the ownership certificate and relevant documents, or after such certificate and relevant documents have been declared null and void, shall pick up the purchase price in accordance with this Act. For any landowner, who fails to pick up the purchase price within a prescribed period, the Government shall, according to law, deposit the price in the local court.

The procedures for the purchase of accessory properties and their sites, referred to in Article 13 of this Act, shall be the same as those mentioned above.

Article 18. Other rights originally created on the cultivated land shall be liquidated after the purchase of the land by the Government in accordance with the following provisions:

- (1) Rights of servitude and superficies shall be transferred together with the land.
- (2) Rights of perpetual lease, *dien** and mortgage shall automatically become null and void; but such rights shall be compensated and paid for to the holder thereof by the Hsien (or Municipal) Government on behalf of the landowner, in stock shares and land bonds, from the amounts to be paid to that owner as the Government purchase price for the land, in the same ratio of stock shares to land bonds as the landowner receives. However, the price paid for the liquidation of such rights shall not exceed the total purchase price of the land question.

Chapter III. Resale of Government Purchased Land

Article 19. Cultivated land purchased by the Government shall be resold to the present tiller. The accessory properties and their sites purchased together with the land referred to in Article 13 of this Act shall also be resold to the present tiller.

Article 20. The resale price of the land shall be computed according to standards set up in Article 14 of this Act. The resale price, together with the price of accessory properties and their sites, shall bear interest at the rate of 4 per cent in kind per annum. Beginning from the season in which the land is purchased, the

* According to the provisions of the Chinese Civil Code, *dien* means the right to take possession of another person's real estate and to use it and to enjoy the incomes accruing therefrom by paying a price for it (Article 911), and the *dien*-holder acquires the ownership of the property in case its owner fails to redeem it within two years after the expiration of the contractual period (Article 923).

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purchaser shall pay the price and its interest in 10 annual equal installments in kind, or in those land bonds in kind falling due in the same period. The average annual burden to be borne by the purchaser shall not exceed the burden on the same grade of land presently borne by the tenant farmer under the 37.5% rent reduction program. The purchaser may pay a part or the whole of the price and interest in advance. Measures encouraging such earlier payment shall be formulated by the Provincial Government and submitted to the Executive Yuan for approval.

Article 21. Procedures for reselling the cultivated land purchased by the Government shall be as follows:

- (1) The Hsien (or Municipal) Government shall investigate the names and status of the present tillers to whom the land is to be sold, and shall compile a purchasers' list thereof.
- (2) The purchasers' list shall be examined by the Village or Township Land Commission, agreed upon by the Hsien (or Municipal) Land Commission, and shall be announced by the Hsien (or Municipal) Government to the public for a period of 30 days.
- (3) Upon discovering any errors in the purchasers' list, the purchaser and other parties concerned may, within the stipulated period of public announcement, request the local Government to correct the errors.
- (4) The land purchaser shall submit a purchase application within 20 days after expiration of the period of public announcement. The Hsien (or Municipal) Government shall, after examining the application, notify him to fulfill the required procedures of purchase within a prescribed period and to pay the first installment of the purchase price.
- (5) Any purchaser, who fails to observe the provisions of Section (4) of this Article, shall lose his right of purchase.

Article 22. After the purchaser has completed the purchase procedures, the Hsien (or Municipal) Government shall register the transfer of the ownership title and shall issue a landownership certificate to the purchaser.

In registering the ownership title transfer referred to in the preceding paragraph, the land purchaser shall be exempt from paying the property transfer tax and witness fees.

Article 23. The Government shall, after selling the land to the present tillers, establish a special production fund from which to extend cheap loans to them in order to improve land use and to increase farm production.

Article 24. The Government shall, after selling the land, encourage the purchasers to operate the land on a cooperative basis with improved techniques.

Article 25. Through proper channels, the purchaser may request the Provincial Government to grant certain reduction or exemption of the unliquidated portion of the purchase price on the land he has purchased, when such land has lost, due to *force majeure*, a part or the whole of its usability.

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Reduction or exemption of the purchase price as approved by the Provincial Government under the preceding paragraph shall be reported annually to the Ministry of Interior for reference.

Article 26. After investigation and approval by the Government, the purchaser may be allowed to postpone for one or more payment periods the installment payments of the purchase price when, during such periods, the land has suffered seriously from catastrophe or harvest loss. Immediately after expiration of the amortization period of the total purchase price, the installment payments thus postponed shall be made up in the same number of payments as those for which the postponement was granted.

Article 27. Installment payments of the principal of the land bonds and interest that fall due shall be paid to the bond holders through the Land Bank from the installment payments of the purchase price and interest paid by the land purchaser. However, they may be paid from the Land Bond Redemption Guaranty Fund under any one of the following conditions:

- (1) When the land purchaser is permitted to reduce or to postpone the amount of payment or to be exempt from payment.
- (2) When the land purchaser defaults in the payment of the price.

Measures for establishing the Guaranty Fund shall be formulated by the Provincial Government and submitted to the Executive Yuan for approval.

Chapter IV. Restrictions and Penal Provisions

Article 28. Any purchaser who has acquired land under this Act shall not transfer it to any other person before its purchase price is fully paid; transfers of land, after its purchase price is fully paid, shall be permitted only when the transferee can cultivate it himself or it can be used for industrial or constructional purposes.

Any transfer of landownership in violation of the provisions of the preceding paragraph shall be null and void.

Article 29. In the event that the purchaser cannot till the land himself before its purchase price is fully paid, he may request the Government to purchase the land for resale to other farmers. The Government shall, in such case, reimburse to the purchaser in one lump sum the purchase price already paid.

Article 30. The Government shall take back the land sold to a purchaser and shall not refund any purchase price already paid, if he is found to have committed any of the following acts:

- (1) Used the name of another person to purchase the land;
- (2) Leased out the land after purchase;
- (3) Failed to make an installment payment for more than four months after falling due.

Article 31. Any person committing any of the following acts shall be punished by the court for a term of imprisonment not to exceed three years:

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- (1) Interference with the purchase of land by the Government under this Act, by violence, duress, or fraud;
- (2) Interference with the resale of land under this Act, by violence, duress, or fraud;
- (3) Damaging the land subject to Government purchase under this Act to such an extent as to render it unusable or less productive;
- (4) Demolishing or removing the properties accessory to the land subject to Government purchase under this Act.

Article 32. Any purchaser who fails to pay any installment that falls due, shall be fined according to the following scales:

- (1) A fine of 2% of the installment amount for a delay of less than one month;
- (2) A fine of 5% of the installment amount for a delay of over one month but less than two months;
- (3) A fine of 10% of the installment amount for a delay of over two months but less than three months;
- (4) A fine of 15% of the installment amount for a delay of over three months.

In addition to the provisions of Article 30 of this Act, any purchaser who fails to pay any installment for more than four months shall be reported to the court for enforcing payment.

Chapter V. Supplementary Provisions

Article 33. Regulations governing the implementation of this Act shall be formulated by the Provincial Government of the province wherein this Act shall be effective and shall be submitted to the Executive Yuan for approval.

Article 34. The disposition of private cultivated land located within municipalities under the direct jurisdiction of the Executive Yuan, shall follow the same procedures as provided in this Act.

Article 35. The area in which this Act shall be effective shall be decided and announced by an order of the Executive Yuan.

Article 36. This Act shall become effective on the day of its promulgation.

