LAND REFORM AND AGRICULTURAL DEVELOPMENT
- TAIWAN'S EXPERIENCE

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I

Prior to land reform, the economy of Taiwan, predominantly agricultural, was typically that of UDC's. Sixty-one percent of the population was employed in agriculture, 36 percent of the domestic product was contributed by agriculture; and the per capita income was only US$42.9 in 1952. Agriculture is a land-based industry. Land problem is the basic problem in agriculture.

The land problem in Taiwan centered on its agrarian structure. Land concentration has long been in evidence and the tenancy system prevailed. According to the records of the Taiwan Government General, land concentration climbed to its peak in 1921, when the 42.7 percent of all farm families who cultivated less than half a chia occupied only 5.7 percent of the cultivated land, while the 0.05 percent who owned more than 100 chia occupied 13.1 percent of total cultivated area. The keen competition among landless farmers to secure the lease of land gave rise to landlordism and exorbitant rent rates, which, in turn, resulted in unreasonable man-land and landlord-tenant relationship that prevented agricultural as well as economic development.

The tenure situation of 1939, which was generally taken as the pre-reform basis in Taiwan, showed no brighter picture than that of 1921. Of the total cultivated area of 827,869 hectares, 361,542 hectares, or 43.7 percent, were operated by owners, while 466,367 hectares, or 56.3 percent, were cultivated by tenants. In Taipei Hsien, Hsinchu Hsien, and Taichung Hsien, where land is considered most productive, the percentage of tenant-cultivated land was even higher, holdings were smaller, and

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farms were more fragmented. As a consequence of the scarcity of land and the abundance of population, together with the concentration of land ownership, the predominancy of tenancy had been the salient feature of the agrarian structure in Taiwan before and reform. Under this agrarian structure the tenant had not only to pay exorbitant rental to the landlord but also to deposit a large sum of money in order to secure his lease. In some instances the deposit was as much as two years' rental. Worst of all was the uncertainty of tenure that the system imposed. There was seldom a written contract between landlord and tenant. This made it very easy for the landlord to cancel the lease at will and to obtain a higher ental by leasing to others. The rental the tenant paid before land reform was far above the level justified by the productivity of the soil. The average rental was more than half the annual yield, and some even went as high as 70 percent of the yield. Generally speaking the higher the grade of land the higher the rental. The rate for paddy land was higher than that for dry land. Rental was paid mostly in kind on a share basis. The landlord, as a rule, charged the tenant a fixed amount of rice as rental for paddy land, regardless of how small a crop the tenant might raise or what crop he planted. In cases where the tenant planted crops other than rice, he had to sell his produce and buy rice from the market to meet the obligation. The buying and selling of crops meant extra losses for the tenant.

Such a system of tenancy certainly curtailed the productivity of the land and impaired the farmers' incentive to produce; thus, it intensified the poverty of the rural society. Because of their poverty, farmers were by no means able to make better use of the land, and because of uncertainty of tenure, tenants were not willing to make any long-term improvement or investment in the land. Even if the tenant knew that by applying proper amounts of fertilizer he could get a better crop, he would not do so, because he could not be sure that he would be cultivating the same plot of land the following year. He would also not work hard on land where he knew he could not fully enjoy the fruits of his labor. Facing this vicious circle of ownership concentration-high rental-low production-poor farmers, the Govern-
ment of the Republic of China decided to enforce a land reform program aiming, first, at improving tenants' living standards by rent reduction without overthrowing the tenancy system, and then, at converting all tenants to ownerfarmers.

II

The three-step land reform program implies three phases of land reform, viz., rent reduction, sale of public land, and "land to the tiller." The first step was the Farmland Rent Limitation Program, which stipulated that the farmland rent collected by the landlord should be limited to 37.5 percent of the yield of the main crops. The collection of rent in advance, deposit of money, and termination of lease before the expiration date were strictly prohibited. The tenure of the lease could not be shorter than six years. When a farm was offered for sale, the tenant who cultivated it had the right of preemption. All lease contracts were to be in written form.

The first phase of land reform was completed in 1949. The results as seen from available statistics were as follows: (1) 391,036 lease contracts signed, (2) 829,552 pieces of farmland involved, (3) 259,788 chia of tenanted land covered, and (4) 300,057 tenant families benefited. After the completion of the rent reduction program, the rent burden of the tenant had been lessened by 12.5 to 25 percent of the annual main crop yield. Since this yield was computed on a standard basis for the purpose of rent calculation, the tenant was not only able to benefit by the reduction in rent but also by any increase in production brought about by his extra effort. The fixed standard of crop yield was elaborated by a township Rent Committee composed of members elected by the tenants, landlords, and ownerfarmers and approved and registered by the local governments of various levels. Any production beyond the fixed standard was completely the tenant's to enjoy and the landlord received no share of it. According to a report prepared by the Supervision Team of the Ministry of Interior, after the enforcement of rent reduction, the rice yield increased by 438 kilograms per hectare in Tainan Hsien, by 500 kilograms in Yunlin Hsien, by 217 kilograms in Yilan Hsien, and by 722 kilograms.
in Tainan City. The yield of sweet potatoes and other crops also increased in various localities. There were many reasons for the increase in yield, such as heavier use of fertilizer, better irrigation systems, improvement in farm practices, etc. However, since production beyond the fixed standard was now to be enjoyed entirely by the tenant, farmers had greater incentive to produce more food for themselves and for the market. This must be rated as one of the most important factors and motivating forces in promoting agricultural development.

Another remarkable effect or side effect of rent reduction was the drop in land prices. According to an investigation made by the China Institute of Land Economics, land prices dropped by 19.4 percent for paddy field and 42.4 percent for dry land in December of 1949, the year the rent reduction program was enforced. As a matter of fact, there were apparently two different prices on land of the same grade; one for land cultivated by owner-farmers, another for that cultivated by tenants. The first price was much higher than the second. In selling tenant-cultivated land, the landlord could transfer only the ownership of the land to the buyer, not the right of use, in which the tenant was legally protected. The price of tenant-cultivated land, therefore, fell much lower than that of land which was owner-cultivated. The former usually amounted to only two-thirds of the latter, during the first and second phases of the land reform period. Since the price of tenant-cultivated land continued to decline and rent was frozen at a fixed standard by rent reduction regulations, the landlords no longer found it in their interest to own land and were willing to part with it. On the other hand, as their income increased, the tenants' ability to purchase the land grew. In a period of four years between the first and third phases of land reform, 41,300 hectares of land were purchased by the tenants from landlords.

The second phase of land reform, which was launched in 1951, was the Sale of Public Land Program, a transitional step to the creation of owner-farmers. It was aimed at setting an example and paving the road for the Land-to-the-Tiller Program. The sale price was fixed at 2.5 times the annual main
crop yield of the land and was to be paid by the eligible purchasers in twenty installments within ten years. The eligible purchasers were confined to the cultivators or tenants of publicly owned land. The acreage purchase by each farmer was limited to from 0.5 to 2.0 chia of paddy land or from 1.0 to 4.0 chia of dry land. The accumulated area sold up to 1970 amounted to 115,337 hectares or 64 percent of the area of public land, which was 180,000 hectares in total before the launching of the second phase of land reform. The results of the Sale of Public Land Program featured the fact that 263,239 farm families had benefited, the average area purchased by each family being 0.44 hectare.

The third phase of the land reform program—the Land-to-the-Tiller Program—aimed at turning all tenants into owners and was the last stop or final goal of the land reform program in Taiwan. The land-to-the-tiller idea had originated with Dr. Sun Yat-sen. It was to be a means of realizing the principle of equalization of land ownership and was to be the keynote of Chinese land reform. It was emphasized decades ago by the Chinese government that all people should have equal rights of ownership to land, and that the farmer who tills land should own it. The Land-to-the-Tiller Act, based on this principle, was passed by the Legislative Yuan on January 20, 1953. The key point of this program was the transfer of land from landlord to tenant through government instrumentality. According to the provisions of this act, landlords were permitted to retain only three chia of paddy land or six chia of dry land of medium grade, or their equivalent in lower or higher grades of land. Any land (tenant-cultivated) beyond this limit of retention was compulsorily purchased by the government and resold to the tenants, landless farmers, and other eligible persons. The price of the land was fixed at 2.5 times the annual main crop yield, the same as was fixed in the Sale of Public Land Program. It, also, was to be paid by the purchasers in twenty installments within ten years. The landlords were paid, as compensation by the government, 70 percent of the land value in land bonds redeemable in kind and 30 percent in stock shares of government enterprises. As prescribed by the
act, purchasers who acquired land through the Land-to-the-Tiller Program could not transfer the land to anyone else before the land price was paid in full; and after the liquidation of the price payment the land could be transferred only to one who would till it himself or use it for industrial or building purposes.

The Land-to-the-Tiller Program was launched and completed in 1953. The price payments, however, were not liquidated until 1963, the last year of the ten-year price payment period. The results of the third phase of the land reform program are generally considered satisfactory because the majority of the tenants have been converted into owner-farmers. In 1953, 139,249 hectares of private farmland were transferred from landlords to tenants through compulsory government purchase. This area, plus the area transferred through the Sale of Public Land Program and the area bought by the tenants after the enforcement of rent reduction, amounted to 256,000 hectares, or 71 percent of the total area of public and private tenant land, which was 360,000 hectares before land reform. Through the three phases of land reform, the newly created owners totaled 412,500 farm households, or 58 percent of the total number, which was 702,555 in 1953.

After the liquidation of the land price payments in 1963, the author of this paper made a study of the effects of land reform. The study was entitled *Land Reform and Its Impact on Economic and Social Progress in Taiwan*. A survey of 110 farm households covering 7 townships was conducted in June through August 1964. The seven townships were selected as sample localities from northeastern, northern, central, and southern parts of Taiwan. The findings of this survey showed that the salient features of land reform effects in Taiwan were changes in the agrarian structure and in agricultural productivity; there were, in addition, many other changes, as in income level and distribution, investment and savings, consumption level and living standard, etc. Among the seven sample townships, four kept complete records on the farmers in various tenure groups before and after land reform. As shown in Table 1, the total number of farm households in the four
Table 1. Changes in the Number of Farmers in Different Tenure Groups in Four Townships* in Taiwan—1948, 1953, 1958, and 1963

<table>
<thead>
<tr>
<th></th>
<th>1948</th>
<th>1953</th>
<th>1958</th>
<th>1963</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td>Landlord</td>
<td>1,947</td>
<td>9.7</td>
<td>241</td>
<td>1.3</td>
</tr>
<tr>
<td>Owner</td>
<td>5,040</td>
<td>25.2</td>
<td>11,394</td>
<td>59.7</td>
</tr>
<tr>
<td>Part Owner</td>
<td>3,066</td>
<td>15.4</td>
<td>3,860</td>
<td>20.2</td>
</tr>
<tr>
<td>Tenant</td>
<td>9,125</td>
<td>45.7</td>
<td>3,229</td>
<td>16.9</td>
</tr>
<tr>
<td>Farmland</td>
<td>792</td>
<td>4.0</td>
<td>365</td>
<td>1.9</td>
</tr>
<tr>
<td>Total</td>
<td>19,970</td>
<td>100.0</td>
<td>19,089</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* The four townships are Tayuan Hsiang in Tao Yuan Hsien, Tsaotun Chen in Nantou Hsien, Hsilo Chen and Erhlun Hsiang in Yunlin Hsien.


townships increased slowly from 1948, the year immediately before the first step of land reform, to 1963, the year the price payment of the third step of land reform program was liquidated. But the proportion of farmers in the different tenure groups changed greatly. Landlords had totaled 1,947 in 1948 but were reduced to 196 in 1963. In other words, the number of landlords dropped from 9.8 percent to 0.9 percent of the total over a period of fifteen years. Most notable were the changes in the number of owners and tenants. Owners increased from 25.2 percent to 69.7 percent of the total, while tenants decreased from 45.7 percent to 10.2 percent of the total. As a result of the change in land ownership status, landlords as a class have disappeared in Taiwan, and landlordism has been eliminated in the rural communities.

As a corollary of the changes in the number of farmers in different groups, the proportion of owner-cultivated and tenant-cultivated areas changed considerably during the period 1948-1963. From Table 2 we can clearly see that the total cultivated area in the four townships changed very slightly, while the area of owner-cultivated land increased from 46.8...
Table 2. Change in Owner-Cultivated and Tenant-Cultivated Areas in Four Townships in Taiwan—1948, 1953, 1958, and 1963

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Area Hectare</th>
<th>Hectare Percent</th>
<th>Owner-Cultivated Hectare</th>
<th>Hectare Percent</th>
<th>Tenant-Cultivated Hectare</th>
<th>Hectare Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>10,111.0</td>
<td>100.0</td>
<td>4,732.0</td>
<td>46.8</td>
<td>5,379.0</td>
<td>53.2</td>
</tr>
<tr>
<td>1953</td>
<td>10,027.6</td>
<td>100.0</td>
<td>8,587.9</td>
<td>85.6</td>
<td>1,439.7</td>
<td>14.4</td>
</tr>
<tr>
<td>1958</td>
<td>11,089.7</td>
<td>100.0</td>
<td>9,852.2</td>
<td>88.8</td>
<td>1,337.5</td>
<td>11.2</td>
</tr>
<tr>
<td>1963</td>
<td>10,150.8</td>
<td>100.0</td>
<td>8,997.4</td>
<td>88.6</td>
<td>1,153.4</td>
<td>11.4</td>
</tr>
</tbody>
</table>

Source: Yen-tien Chang, Land Reform and Its Impact on Economic and Social Progress in Taiwan, Taipei, National Taiwan University, 1955, p. 10.

percent in 1948 to 88.6% in 1963, and the area of tenant-cultivated land decreased sharply from 53.2 percent to 11.4 percent during the same period of time. Parallel with these changes was the enhancement of agricultural productivity during the period 1948–1963. The yields per hectare and per labor day are generally considered as indicators of productivity.

The findings of the survey of the 110 farm families showed that the average yield of rice, which was 2,655 kilograms per hectare in 1948, increased to 3,225 kilograms in 1963, or an increase of 21.5 percent; that of sweet potatoes, which was 13,110 kilograms per hectare in 1948, increased to 14,770 kilograms, or an increase of 13 percent; and that of bananas, which was 5,603 kilograms per hectare in 1948, increased to 7,463 kilograms in 1963, or an increase of 33 percent. The same survey revealed that the productivity per labor day increased by 26 percent in rice, 47 percent in sweet potatoes, and 24 percent in sugarcane after land reform. There were certainly many factors which contributed to the increase in yield per hectare and per labor day. Land reform, however, was, no doubt, the major factor which generated the incentive to produce. Along with the increase in productivity, the income level in the rural communities was raised, farmers acquired more savings for investment, and their living standard was also raised; thus their children got better education. In short, land reform, which aimed at equalization of land ownership,
also changed the social and economic status of farmers, converted tenants into owners, generated an incentive to produce, and, consequently, laid a solid foundation for agricultural development.

III.

The three-step land reform program had indeed provided a solid foundation, not only for agricultural development but also for economic development as a whole. Having recognized this achievement, the Government of the Republic of China launched its first four-year plan for economic development in 1953, the same year the Land-to-the-Tiller Program was enforced. The most significant part of this plan was that relating to the agricultural sector. Since then, five consecutive four-year plans have been completed. The Sixth Four-year Plan, starting in 1973, is now being enforced and will be completed in 1976. Agricultural policy has deep roots in Chinese history, but government planning as an instrument for promoting agricultural development has come forth only recently. The year 1953, the first year of the First Four-year Plan, marked the starting point of modern economic planning.

The objectives of agricultural sector prescribed in each four-year plan can be taken as guide lines for agricultural development. They varied from plan to plan according to the way agriculture progressed in each plan period. Stated concisely, the objectives for the agricultural sector in the First Four-Year Plan were: (1) to develop natural resources, (2) to increase production, and (3) to implement planned production for main crops. Those for the Second Four-Year were: (1) to develop natural resources, (2) to increase production, (3) to expand exports, and (4) to raise the national income and to balance international payments. The objectives for the agricultural sector in the third plan, which was a prolongation of the second, aimed at expanding the results of the second with necessary modification. And those in the fourth plan stressed: (1) increasing food production to meet the demand of the growing population, (2) improving the national diet, (3) supplying raw materials for industry, (4) absorbing surplus labor
from the rural areas to lessen the population pressure on land, and (5) developing exporting products to earn foreign exchange and to raise farm income. As a result of the implementation of the four consecutive four-year plans, Taiwan's agriculture progressed to a new stage, and the Fifth Four-Year Plan put its emphasis on: (1) further advance in science and technology, (2) coordinated planning and utilization of water and land resources, (3) to increase agricultural investment, (4) to expand market and stabilize prices, and (5) to increase farm income. The Sixth Four-Year Plan, which is being enforced now, stresses the following points as objectives: (1) to modernize agricultural structure and enlarge the scale of operation, (2) to increase agricultural productivity and farm income, (3) to improve the distribution and marketing of farm produce, (4) to better agricultural credit system and to expand agricultural investment, (5) to lower the costs of farm inputs and reduce farmers' burden, (6) to streamline farmers' organizations to better serve their members, (7) to promote farmers' welfare and improve their living environment, and (8) to strengthen government agencies concerned with agricultural development.

Based on these objectives, the gross agricultural production was projected and an annual growth rate was estimated. Stated concisely, the planned agricultural growth rates and achievements for each four-year plans were as follows:

<table>
<thead>
<tr>
<th>Planned Growth Rate</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Four-Year Plan</td>
<td>4.8</td>
</tr>
<tr>
<td>Second Four-Year Plan</td>
<td>4.5</td>
</tr>
<tr>
<td>Third Four-Year Plan</td>
<td>5.4</td>
</tr>
<tr>
<td>Fourth Four-Year Plan</td>
<td>4.1</td>
</tr>
<tr>
<td>Fifth Four-Year Plan</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Except for the fifth four-year plan, all the goals of the other four plans were fairly reached or over-fulfilled. The lagging of the achievement behind the planned goal in the Fifth Four-Year Plan was primarily because the natural disasters, which caused crop failures, happened during the period of the plan. Moreover, the Fifth Four-Year Plan was a turning point in the economic development of the Republic of China. One of the chief objectives of this plan was to generate a well-balanced
development of agriculture and industry, aiming at an overall modernization and structural change in the economy. This structural change caused the outflow of labor from agriculture to industry, which resulted in a shortage of labor and high labor cost in agriculture, and, consequently, retarded the agricultural progress in Taiwan.

However, as a long range plan, the agricultural production in Taiwan has increased by 2.5 times in the last 20 years. Taking 1952, the year immediately before the launch of the First Four-Year Plan, as 100, the index number of 1965, the last year of the First Four-Year Plan, was 121; that in 1960, the last year of the Second Four-Year Plan, was 143; and that in 1964, the last year of the Third Four-Year Plan, was 178. The index number rose to 226 in 1968, the last year of the fourth plan, and it hit a record of 247 in 1972, the last year of the fifth one.

As a result of agricultural development, the national economy of Taiwan has since the implementation of the consecutive four-year plans gone change—change from an agricultural economy to an industrialized economy. Agriculture itself, too, has gradually transformed from subsistence farming to commercial farming. And the long practiced labor-intensive farming has become, more or less, a capital-intensive one. These changes resulted in a comparatively low income of farmers, and a less important role that agriculture plays in the economy of Taiwan.

Nevertheless, the agricultural development has attained many merits. One of the salient features of development was that the national diet in Taiwan has made considerable improvement during the period of the last five four-year plans. The per capita food energy intake, which was 2,078 calories in 1952, increased to 2,233 calories in 1956, to 2,361 calories in 1960, to 2,376 calories in 1964, to 2,509 calories in 1968, and to 2,697 calories in 1972. The rate of increase for the total period was 30 percent. The total daily protein consumption per capita, which was 49 grams in 1952, increased to 54 grams in 1956, to 57 grams in 1960, to 60 grams in 1964, to 65 grams in 1968, and to 75 grams in 1972. The rate of increase amounted
to 51 percent for the period. The daily animal protein consumption made greater progress than the total protein consumption, being 12 grams in 1952, and 25 grams in 1972, or an increase of 108 percent in a time span of 20 years. An increase in protein consumption, particularly animal protein, in a national diet means that the diet of the nation has been much improved. On the other hand, as a result of the increase in the consumption of meats, fish, vegetables, and fruits, the starchy ratio—that is, the proportion of calories derived from starchy foods such as cereals, roots, and tubers—decreased from 77.4 percent in 1952 to 66.6 percent in 1972. Despite this improvement, however, the quality of the national diet of Taiwan is still inferior to that of Western countries. The protein intake is far from adequate, and the starchy ratio remains much too high.

IV.

"Agriculture is the foundation of manufacture and commerce." So runs the inscription on the great deal of the United States Department of Agriculture. The same is true in the case of Taiwan. Land reform laid the foundation for agricultural development, and agricultural development, in turn, served as the foundation for industrial and trade development. The well developed agriculture did not only supply raw materials for industry, but also accumulate capital for industrial investment. As farmers' income increased and their purchasing power enhanced through agricultural development, the prosperous rural community provided industry with a vast domestic market, which was, no doubt, the groundwork for industrial development at the so-called take-off stage.

In Taiwan, as other UDC's, industry progressed much more rapidly than agriculture in the past twenty years. Again, taking 1952, the year immediately before the implementation of the First Four-Year Plan, as 100, the index number of agricultural production was 247, while the of industrial production was 1,700 in 1972, the last year of the Fifth Four-Year Plan. The former increased by 2.5 times, while the latter by more than 17 times in the period of 1952-1972. Expressed in
terms of annual growth rate, agriculture gained 4.7 percent in first decade (1953-1962), 4.5 percent in second decade (1963-1972), and 4.6 percent in the total period of the five four-year plans. For industry, the growth rate was 12.1 percent in the first decade, 18.4 percent in the second decade, and 15.2 percent in the total period.

During the period of the last five four-year plans, foreign trade made even more tremendous progress than industry. The total value of trade, which was US$ 326.5 million in 1952, increased to US$ 5,501.6 million in 1972, and increased to US$ 8,275.9 million in 1973. Taking 1952 as 100, the index number of 1972 accounted for 1,824.5 and that of 1973 for 2,534.7. Within the total trade, exports grew more rapidly than imports. The value of imports was US$ 206.8 million and that of exports was US$ 119.5 million, or a deficit of US$ 87.3 million in 1952. After twenty years' development, the trade picture changed dramatically. The value of imports increased to US$ 2,513.5 million, while that of exports increased to US$ 2,988.1 million in 1972, creating a surplus of US$ 474.6 million. The trade balance was more striking in 1973, with US$ 3,792.5 million of imports and US$ 4,483.4 million of exports, or a balance of US$ 690.9 million in our favor.

Concerning agriculture's share in the composition of exports, however, it showed quite a different picture. The value of agricultural products and processed agricultural products occupied 95.2 percent, and that of industrial products only 4.8 percent of the total value of exports in 1952. By the end of 1972, the last year of the Fifth Four-Year Plan, the former reduced to 17 percent and the latter increased to 83 percent of the total export value. The trend of industry predominance of exports continued in 1973. The industrial share of exports grew to 84.6 percent and that of agriculture declined to 15.4 percent.

The gross national product and per capita income of a nation are generally used as indicators of economic development. The real product (at constant prices of 1966), which was NT$ 42,490 million in 1952, the year immediately before the launch of the First Four-Year Plan, increased to NT$ 227,345
million in 1972, the last year of the Fifth Four-Year Plan, and, again, increased to NT$ 255,321 million in 1973. Taking 1952 as 100, the index number accounted for 535.1 in 1972 and 600.8 in 1973. The average annual growth rate of GNP was 7.1 percent in the first decade (1953-1962), 10.4 percent in the second decade (1963-1972), and 8.7 percent in the total period of the five four-year plans (1953-1972).

The per capita income made comparatively less progress than the GNP, because of the rapid growth of population in the period of the five-four-year plans, particularly in the first decade. In terms of real income at the prices of 1966, the per capita income of the Republic of China, which was NT$ 4,277 in 1952, increased to NT$ 11,644 in 1972, and to NT$ 12,622 in 1973. The indices of increase in 1972 and 1973 were 272 and 295 respectively, taking 1952 as 100. The annual growth rate of the per capita income was 3.0 percent in the first decade, 7.3 percent in the second decade, and 5.1 percent in the total period.

As a corollary of economic development, the industrial origin of the net domestic product has rapidly gone change. Agriculture's contribution to GDP, which was 35.7 percent in 1952, reduced to 15.7 percent in 1972, and to 15.4 percent in 1973. Contrarily, industry's contribution GDP, which was 17.9 percent in 1952, increased to 36.6 percent in 1972, and to 37.9 percent in 1973.

It was indeed that land reform laid the foundation for agricultural development; and agricultural development brought forth industrial development in Taiwan. Without the favorable conditions created by land reform, it would not have been possible for agriculture and industry to progress so rapidly, nor would it have been likely that the national economic development could have achieved such a level as seen in the past two decades.