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Sun Yat-sen and Henry George:

The Essential Role of Land Policy in Their Doctrines

By SEIN LIN

ABSTRACT. Of Sun Yat-sen's "Three Principles of the People," the third principle, namely the People's Livelihood, forms the ultimate goal for social welfare. In this principle Dr. Sun tried to syncretize the economic theories of the West and adapt them within the Chinese context.

The equalization of land ownership through taxation of self-assessed land values, and the land value increment tax are the most essential ingredients of the third principle. Underlying Dr. Sun's concept of equalization of land ownership is the unearned increment theory of Henry George.

Dr. Sun conceived of agrarian reform as basic to the solution of the livelihood problem. Henry George also saw the cause of distress and destitution in the defective land tenure structure and the monopoly of land.

IN THE HISTORY of modern China, Sun Yat-sen's stature as the "Father of the Chinese Revolution," the "Founder of the Chinese Republic," and the "George Washington of China's Political Reemergence" remains undisputed to this day.

The centennial of his birth on November 12, 1966 was commemorated by all Chinese regardless of their political ideology. To the Nationalist Chinese he was the principal architect of their official ideology which was enshrined in their Constitution. In the early days of their revolution, the Chinese Communists claimed, for their own purposes, that they too had inherited the mandate of Sun Yat-sen.

Sun Yat-sen was proud of the cultural tradition of his country and yet open-minded to the spirit of western science; he was a Confucian scholar and a political scientist who was conversant with Marxism as well as American political economy. He had evolved his own brand of political philosophy even if he left some western scholars in doubt about his ideological predilections.

The truly remarkable achievement of the man lay not merely in the overthrow of the despotic Ch'ing Dynasty, but in the ideological legacy he had bequeathed to all the Chinese people. It was a synthesis of modern theories with China's cultural tradition—a synthesis that not only became the State philosophy of China, but even more significantly, "it also developed a number of features and patterns that have since been repeated

in the ideologies of other nationalist movements in Asia and Africa. . . The largest group of development ideologies is syncretistic in its endeavor to continue, in one way or another, certain basic values of the traditional cultural heritage with selected ideas and institutions copied from the West. This is the intention with which Sun Yat-sen has constructed his *San Min Chu I* ideology, and his example has been followed by the majority of contemporary founders of ideological systems in Asia and Africa" (1).

I

ECLECTICISM OF SAN MIN CHU I

SAN MIN CHU I or *The Three Principles of the People* was Sun Yat-sen's most important work, and comprises sixteen lectures in which he expounded his three principles of Nationalism, Democracy, and the People's Livelihood.

Although an active revolutionary, Dr. Sun did leave voluminous treatises of his philosophy. The materials he left as a legacy were a challenge to scholars as well as his followers. As Linebarger said: "A German Marxian showed Dr. Sun to be a forerunner of Bolshevism; an American liberal showed Dr. Sun to be a bulwark against Bolshevism. A Chinese classicist demonstrated Dr. Sun's reverence for the past; a Jesuit Father explained much by Dr. Sun's modern and Christian background" (2). Each one, like the six wise Brahmins, is correct in his own way; but none is entirely so. Western culture does have a considerable impact on Sun Yat-sen's modernization theories. In his writings and speeches, Sun Yat-sen made frequent references to Rousseau, Montesquieu, Abraham Lincoln, Henry George, Karl Marx, John Stuart Mill, Maurice William, and others.

Sun Yat-sen declared *San Min Chu I* as the principles for the salvation of the Chinese nation by elevating China to an equal position among the nations, in international affairs, in government, and in economic life, so that she can permanently exist in the world. Dr. Sun's program for national reconstruction envisages catching up with the West in industry and technology without abandoning the faith in his own Chinese culture and civilization which stressed morality and human dignity.

This paper is limited to the study of his third principle, namely *Min Sheng*, which offers an economic system based on social justice and provides the philosophical foundation for his whole ideology. The essential postulates of this paper are that 1) the role of *Min Sheng*, or the Principle of People's Livelihood, is central to Dr. Sun's ideology; 2) his land policy is basic to the Principle of the People's Livelihood; and 3) Sun Yat-sen's

theory of the unearned increment bears an unmistakable imprint of Henry George's land policy.

II

MIN SHENG AS THE ELAN VITAL

SAN MIN CHU I, though divided into three principles devoted to three basic needs of the people, has as its final objective the Principle of Min Sheng or the Principle of People's Livelihood. The three principles of Nationalism, Democracy, and People's Livelihood supplement one another. The first principle, *Min Tzu*, enunciates national independence as the starting point; the second, *Min Chuan*, advocates democratic government as the means, and the third, *Min Sheng*, forms the ultimate goal for social welfare.

Sun Yat-sen gave four lectures on Min Sheng, of which the last lecture is the least in importance (3). In his first lecture he attempted to explain what he meant by Min Sheng, and it was mainly a refutation of Marx's theory of class war and of the materialistic interpretation of history. Actually, the second and the third lectures contained the main conceptual pillars of his Principle of Min-Sheng from which he formulated his land policy.

In dealing with national reconstruction, the principle of Min Sheng was so important to Sun Yat-sen that he placed it first in his plans.

The first step in reconstruction is to promote the economic well-being of the people by providing for their four necessities of life, namely, food, clothing, shelter, and transportation. . . Next is the promotion of democracy . . . The third step is the development of nationalism (4).

Paul Linebarger asserted that, "The need for a third principle (Min Sheng)—one of popular subsistence—in the ideology (of Sun Yat-sen) is vital; the San Min Chu I would be crippled without it" (5).

Sun Yat-sen defined Min Sheng as meaning "The livelihood of the people, the existence of society, the welfare of the nation, the life of the masses." That he regarded Min Sheng as vitally important to the realization of the Nationalist revolution as a whole is clearly demonstrated by the story told of his outburst of anger during the period of his presidency of Nanking, when one of his sworn brothers advised him to talk no longer about the Third Principle (Min Sheng). Stirred out of his usual calm, Sun Yat-sen pounded on the table and said: "The revolution aims at the welfare of the people and the solution of the problem of livelihood. If we disregard the Principle of Livelihood, we may as well give up the whole revolution" (6).

In expounding the central concept of Min Sheng, he said:

Livelihood is the center of government, the center of economics, the center of all historical movements. Just as men once misjudged the center of the solar system, so the old socialists (referring to Marx and his disciples) mistook material forces for the center of history. . . We can no longer say that material issues are the central force in history. We must let the political, social, and economic movements of history gravitate about the problem of livelihood. We must recognize livelihood as the center of social history (7).

He further amplified this view: "As we view life about us or study the distant past, we see that human power has been employed, to put it simply, in maintaining the existence of the human race. In order to exist, mankind must have protection and sustenance and it is daily engaged in meeting these two needs." By identifying "man's struggle for existence" with "the problem of livelihood," he concluded that livelihood constitutes "the driving force in social progress."

III

THE ENCOMPASSING CIRCLE OF MIN SHENG

It WAS SAID that Sun Fo, Dr. Sun Yat-sen's son, when asked what his father had seen as the relationship between his principles and the western ideas of communism, capitalism, and socialism, replied that his father drew a circle and in it put the ideographs for communism, socialism and capitalism, with the remark that the Min Sheng Principle encompassed the virtues and avoided the deficiencies of each. The circle apparently represented the Chinese framework of his doctrine.

Sun Yat-sen's choice of the old Chinese term "Min Sheng" instead of directly borrowing the western terms such as socialism (which is translated in Chinese as Shih Hui Chu I) was deliberate. He refuted the theory of economic determinism which interprets history mainly from the viewpoint of materialism. The origin of the term Min Sheng, according to him, has both spiritual and material connotations.

It has been generally accepted that Sun Yat-sen's emphasis on Confucian ethics had profound impact on his philosophy. At the same time, in his Min Sheng principle, Sun Yat-sen tried to syncretize the economic theories of the West and adapt them within the Chinese context. In the process, some western theories are more adaptable; others are less so. The degree of adaptability is nowhere more apparent than in the practical application of these theories in the Oriental societies.

The western influence on the Min Sheng Principle will be examined more from the aspect of implementing the land policy of Min Sheng. It

is the land policy embodied in the Min Sheng Principle which, as will be seen below, bore the unmistakable mark of the influence of western thinkers.

IV

THE INFLUENCE OF WESTERN THEORIES

THE THREE WESTERN THINKERS to whose writings Sun Yat-sen was most exposed, and whose influence has been most critical in the development of the Chinese statesman's thinking were Henry George, Karl Marx, and Maurice William (8).

Since this paper is primarily concerned with the comparison of the land policy of Sun Yat-sen with that of Henry George, only brief reference will be made to Dr. Sun's remarks concerning Marx and William.

In formulating his thesis that livelihood is the center of history, Dr. Sun referred to Maurice William's theory in his book, *The Social Interpretation of History*, which sought to rebut Marx's theory of dialectical materialism. Comparing William's theory with his own, Sun Yat-sen concluded:

He (William) set forth the view that the materialistic conception of history is wrong; that the social problem, not material forces, is the center which determines the course of history, and that subsistence is the heart of the social problem. This social interpretation of history, he believes is the only reasonable one. The problem of livelihood is the problem of subsistence. This new theory of this American scholar tallies exactly with the third principle of our party. William's theory means that livelihood is the center force in social progress, and that social progress is the center force in history; hence the struggle for a living and not material forces determines history (9).

Thus, fortified by William's theory, Dr. Sun criticized what he considered to be the basic errors of Marx's materialistic interpretation of history. He singled out the Marxian theory of class war, contrasting Marxian economic-class ideology with his own concept of a class system based on intellectual ability (10). Dr. Sun's inference of class war was only in relation to the war of the oppressed nations against the oppressing nations and did not extend to the intranational class wars advocated by Marx. In the context of his Min Sheng Principle, Dr. Sun's interpretation of history through *Jen* (Confucian concept of benevolence or social-mindedness) was by no means the materialistic interpretation of Marx—nor even of the more humanistic version of Marx's theory as set forth by writers like Raya Dunayevskaya, Erich Fromm and Herbert Marcuse. Criticizing Marx's class struggle as putting effect before cause, Dr. Sun declared:

Class war is not the cause of social progress; it is a disease developed in the course of social progress. The cause of this disease is the inability to subsist, and the result of the disease is war. What Marx gained through his studies of social problems was a knowledge of diseases in the course of social progress. Therefore, Marx can only be called a social pathologist; we cannot say that he is a social physiologist (11).

Finally, he neither accepted the Marxian theory of surplus value nor that of the inevitable collapse of capitalism. In addition to his oft-cited reference to the merits of the Ford Motor Co., he even envisioned the co-existence of capitalism and socialism as "two economic forces which might work side by side in future civilizations" (12).

As Linebarger concluded, "all in all, it may be safely said that Sun Yat-sen's ideology to the modern world, was not inspired by the Marxist. . ." (13). From this conclusion, Linebarger also discounted the influence which Maurice William asserted he had had on Sun Yat-sen's political philosophy. While Sun Yat-sen was indebted to William for his anti-Marxian arguments, "on the other hand it is a manifest absurdity to assume that Sun Yat-sen, having once been a communist, suddenly reversed his position after reading one book by an American (Maurice William) of whom he knew nothing" (14). But it cannot be gainsaid that certain aspects of Maurice William's theory did have an impact on the thinking of Sun Yat-sen as Dr. Sun himself had mentioned, albeit, William might have an exaggerated notion of the totality of his influence on Sun Yat-sen. Linebarger's own conclusion was that "Sun Yat-sen, in short, never having been a Marxian was not converted to the social interpretation of history as put forth by Dr. William" (15). Marxism may have influenced the verbal tone of Sun Yat-sen's lectures, but not his ideology. It would be more correct to say that Marx had had a negative influence on Dr. Sun as evidenced by his comparison of the youthful zealots of Marxism "as the young dandies of Canton who wore furs in a subtropical climate and hoped for cold winds from the north" (16). His statement that Marx was a pathologist and not a physiologist was obviously borrowed from William (17).

It is only in the third part of his principles (namely Min Sheng) that "the influence of the western thinkers appear unmistakably" (18). In the Min Sheng Principle, the concept of the equalization of land ownership in general, and the idea of the unearned increment in particular, show a definite imprint of the idea which Dr. Sun borrowed from Henry George.

V

MIN SHENG AND EQUALIZATION OF LAND OWNERSHIP

EVEN AS EARLY as 1905 when Sun Yat-sen's revolutionary ideology began to take shape, he declared that his fourfold revolutionary goals were to 1) expel the Manchus, 2) recover the Chinese nation, 3) establish a republic, and 4) equalize land ownership. The fact that the same goals were reiterated in the manifesto of the Tung Meng Hui, when it became a full-fledged revolutionary party, underscored the importance of equalization of land ownership as it later became embodied in his Min Sheng Principle.

In his earliest written book entitled *The Cult of Sun Yat-sen*, he quoted Henry George's book *Progress and Poverty* to describe the social unrest as a result of the unequal distribution of wealth and privilege (19).

When he was residing with the Cantlies in London, Dr. Sun made use of his leisure in industrious reading. Among the books he studied in London libraries are, notably, books written by Henry George and Karl Marx. (The first volume of *Das Kapital* had been translated into English by Moore and Aveling and published in 1887). According to Lyon Sharman, Henry George's death in 1897 called world attention afresh to his theories, which made a permanent impression on Sun Yat-sen (20).

Linebarger implied that a sequential link existed between Sun Yat-sen's advocacy of redistribution of land in the party oath, the platform, and the slogans of the Tung Meng Hui of 1905, and the study of George's theory by Dr. Sun while he was in London as a political exile (21).

Henry George was born in 1839 in Philadelphia and Dr. Sun Yat-sen almost 30 years later (1866) in a remote village in the province of Kwantung. No two men could have been born under such different social and cultural backgrounds. One was an American newspaper editor, the other a Chinese medical doctor turned revolutionary. George never laid aside his crusader's lance; Dr. Sun never abandoned his revolutionary ardour. Both men died at the rather premature age of 58; both left an unfinished task to which they dedicated their lives. "For all his crusading zeal, George was in no sense a revolutionary. He saw the gradual, but fairly rapid improvement of society through manipulation of the tax system without either the expropriation of land or the disturbance of the social system beyond cutting down on the landlords (to size)" (22). Dr. Sun was a revolutionary only insofar as the overthrow of the Manchu dynasty was concerned. In his Min Sheng Principle he advocated an evolutionary as opposed to the revolutionary method of implementing his programs and

eschewed Marx's class struggle approach. Through peaceful and gradual means he aimed to achieve the ultimate goal: the Confucian ideal of "the Great Commonwealth."

The two pillars of the Min Sheng Principle advocated by Dr. Sun are 1) equalization of land ownership, and 2) regulation of capital.

Many Chinese scholars have asserted that the equalization of land ownership is really the most essential part of the Min Sheng Principle, and that the latter part, namely the regulation of capital, is merely subsidiary. The reasons advanced are:

if . . . the public ownership of natural resources and the public enjoyment of rents are, in Dr. Sun's economic theory, the indispensable conditions for satisfying the people's material needs, the equalization of land rights is the means to the end. On the other hand, the regulation of capital is but an extension of the same principle under which the results of social progress are to be enjoyed by the people in common. When Dr. Sun says the regulation of capital, he means the regulation of its use to prevent its being employed as an instrument of exploitation (23).

Chen Cheng also pointed out that of the two fundamental measures namely "equalization of land rights," and the "regulation of capital," he (Sun Yat-sen) was particularly emphatic on the first and took pains to explain it on all possible occasions (24).

VI

EQUALIZATION OF LAND RIGHTS

SUN'S FIRST EXPOSITION of equalization of land rights was made in the Declaration of the *Tung Meng Hui* issued in 1905. He stated;

The economic organization of society should be reformed by assuming the values of land throughout the whole country. The original owner should be allowed the rights to keep the current value of his land for himself, but any increase in such values resulting from social improvements and progress after the Revolution should go to the State to be enjoyed by the people in common. . . (25).

To achieve this equalization, Sun Yat-sen advocated the adoption of the following methods:

1. Self-Assessment of Land values.
2. Taxation according to the Declared Values.
3. Land Value Increment Tax.

The self assessment method requires the owner of the land to declare the value of his land to the government. The declared value represents his private right in the land and will form the basis either for taxation on the declared value or taxation on the increase thereafter. The State also re-

serves the right of eminent domain either to buy private land for public use or for purposes of redistribution "in the public interest" (26). The twin measures of taxation according to the declared value and the government's right to purchase at the declared value (under certain conditions) are supposedly designed to have the effect of assuring that the declared value is neither too low nor too high.

The land value increment tax through which the "unearned increment" from increasing land value is captured by the government for public welfare projects is essentially the most significant aspect of the Min Sheng Principle. In fact, Linebarger equates it with the Min Sheng Principle: The proposal that all future increment shall be given to the community is the "equalization of land ownership advocated by the Kuomintang; it is the Min-Sheng Principle" (27).

As one Chinese scholar said:

The method he proposed was peaceful and moderate. Land owners would estimate the value of their land and the government would base taxes on that declared value or purchase the land for the declared amount. Owners thus would be encouraged to pay tax on the real value. As land values rose, the increment would go into the treasury for the public's benefit and not into the owner's pocket. In formulating this procedure, Dr. Sun owed much to Henry George's *Progress and Poverty* (28).

Regarding the concept of unearned increment, Sun Yat-sen said: "A comparison of the theories of the two scholars (namely, Henry George and Karl Marx), is that one advocates expropriation of unearned land value, the other expropriation of capital" (29). From this comparison he proceeded to affirm his acceptance of George's view of land ownership. Linebarger's analysis also lends partial support to this view: "Henry George gave Sun Yat-sen the idea of the unearned increment, but Sun Yat-sen, instead of accepting the whole body of doctrine that George put forth, simply kept this one idea, and built a novel land policy of his own on it . . ." (30). Actually, it would be more appropriate to say that Sun Yat-sen wove the idea of unearned increment into the fabric of the Chinese society. Furthermore, Linebarger overlooked the fact that land value taxation and unearned increment taxation were the key concepts of Henry George, although ardent Georgists by overemphasizing his "single tax" blurred the real significance of his key concepts. On the other hand, Linebarger was right when he pointed out that, "with respect to the question of land, Sun Yat-sen believed in his own version of the single tax, which was not in his programs, since he foresaw other sources of revenue for the State (tariff, revenues from state enterprises, etc.)" (31).

In explaining the concept of unearned increment, A. M. Woodruff has this to say: "The central idea of *Progress and Poverty* is that the economic corruption of society arises from 'unearned increment' appropriated by landlords; the proposed remedy in the democratic adoption of a tax system designed to redress the inequity . . ." (32). Tracing the genesis of George's land theory, Woodruff observed:

. . . George has deep intellectual roots in the writings of Ricardo. The concept of Ricardian rent, which is basic to George's land theory, evolved over a half century from the physiocrats through Smith and his editors, and through Malthus, to Ricardo. The physiocrats generally considered rent the only source of taxation, and from Smith onward most classical economists, at least through Ricardo, considered rent a payment for something which the landlord did not make but which in one way or another he pre-empted (33).

According to Ricardo, rent from land is essentially a private expropriation of its natural productivity or site value (location) which does not originate in human effort or skill. This view was also endorsed by John Stuart Mill who asserted:

Suppose that there is a kind of income which constantly tends to increase, without any exertion or sacrifice on the part of the owners—those owners constituting a class in the community, whom the natural course of things progressively enriches, consistently with complete passiveness on their part. In such a case it would be no violation of the principles on which private property is grounded, if the State should appropriate this increase of wealth, or part of it, as it arises. This would not properly be taking anything from anybody; it would merely be applying an accession of wealth, created by circumstances, to the benefit of society, instead of allowing it to become an unearned appendage to the riches of a particular class (36).

This principle underlies the unearned increment theory of Henry George. The term "Communization of future property" ascribed to Sun Yat-sen by some scholars means that all secular rise in land values and all future values of land shall belong to the public. It is the end result of the assessment of land values—which itself is an indispensable prerequisite for the equalization of land rights. It has the effect of reforming land use rights on a rational basis. As one Chinese scholar put it:

These methods for the equalization of land rights are simple and straightforward, but their significance is far reaching. The results of their operation will lead to a new land tenure and the substantive transformation of the private ownership of land. Thereafter, it would not be possible for an individual to appropriate to himself through landownership the gifts of nature and of social progress, nor to make use of land rights as an instrument of exploitation . . . And yet all this while, the form of private owner-

ship remains intact: people continue to be free to own land, their rights to the fruits of individual improvements is preserved . . . (35).

As interpreted by Woodruff, George's proposed solution,

Was to introduce a tax on land which would equal the unearned increment; that is, a tax which would pre-empt for the State the total amount of Ricardian rent . . . His most *significant* postulate was that such a tax, by greatly ameliorating the disequilibria which followed from play between powerful individuals to command the unearned increment, would distribute far more widely the benefits otherwise to be expected from an industrial society. Furthermore, the tax, by taking the profit out of land speculation would prevent the bidding up of land prices, and this in turn would remove a major cause of business cycles (36).

Compare this with Dr. Sun's speech on "The Equalization of Land Rights" delivered before newspaper reporters at Canton in 1912:

The biggest gambling in the world is land speculation such as being carried on in Canada today. It is a general law that where industry and commerce are developed, the value of land there will become higher and higher. This has happened in Hongkong and Shanghai where one mow (0.02451 acre) of land, formerly worth ten or 100 silver yuan, is now worth as much as thousands and tens of thousands of silver yuan. If the land value is not properly equalized in time, powerful capitalists will compete with one another in investing their money in land speculation after the further development of industries. If that should happen, it would spread all over the country in ten years and there would be a big economic crisis (37).

The similarity in the above-quoted interpretation of the significance of the theory of unearned increment as conceived by Sun Yat-sen and Henry George is striking indeed.

Sun Yat-sen chose as his point of departure from Henry George's theory of the land value tax George's postulate that such a tax would raise enough revenue for all the needs of the State and hence no other tax would be needed. Linebarger had surmised that

Since . . . his (Sun Yat-sen's) land policy never approached the Marxist-Leninist program of nationalization or collectivization of land, but remained one of the redistribution and confiscation of unearned increment, it is safe to say that Dr. Sun kept the theory of George in mind, although he by no means followed George to the latter's ultimate conclusions. It may thus be inferred that the influence of Henry George upon the nationalist ideology of Sun Yat-sen was slight, but permanent. An idea was borrowed; the scheme of things was not" (38).

One might, however, contend that if the theory of unearned increment is equated with Min Sheng as Linebarger does (39), then to the extent that

it was also central to George's land policy, the congruence of the ideas was by no means insignificant.

Henry George hit hard at the monopolistic ownership of land as the source of growing inequality in the distribution of wealth. What he really attacked was the "absolute ownership of land," as is indicated in the following statements: "What is more preposterous than the treatment of land as individual property? In every essential, land differs from those things which being the product of human labor are rightfully property. It is the creation of God . . . It is fixed in quantity . . . It exists though generations come and go" (40). Sun Yat-sen's speech given in Shanghai in 1912 makes an interesting comparison: "The public ownership of land is founded on the very nature of things. There was land long before mankind came on the scene. Land will remain after mankind has disappeared from the surface of the earth. Land is common property. How can man call it his own?" (41)

George was less concerned with the tearing down of the existing structure, but was more concerned with pointing the way through the vast productive forces of labor and technology through better land policy. To achieve these ends, the right to land—the first of our inalienable rights—must be secured to all.

Neither Dr. Sun nor George followed up on their idea of unearned increment with the detailed *modus operandi* (except in the case of Dr. Sun who went to the extent of his brief exposition of self-assessment of land values). There is no reason to do so. Sun Yat-sen was averse to tying the hands of his followers and successors with respect to his economic theory (42). Dr. Sun was careful to point out that "the methods of the solution of the land problem are different in various countries, and each country has its own peculiar difficulties" (43). He, however, mentioned that "the plan we are following is simple and easy—the equalization of ownership" (44). Dr. Sun was neither didactic nor patronizing.

The man who first gave Sun Yat-sen's theory a practical demonstration was a member of the *Bund Deutscher Bodenreformer* by the name of Wilhelm Schrameiyer who experimented with land value increment taxation in the German-leased territory of Tsingtao in China. "During the First World War he [Schrameiyer] served as an advisor to the Canton Municipal Government and helped Dr. Sun draw up plans to implement the equalization of land rights. Although he soon died and his projects were never realized in Canton, his main ideas were incorporated in later Chinese legislation on land reform" (45).

The Republic of China promulgated the Statute for the Enforcement of

the *Equalization of Urban Land Rights* in August 1954 in consonance with Articles 142 and 143 of the Constitution of the Republic of China wherein Sun Yat-sen's basic land policies are embodied (46).

VII

AGRARIAN REFORM

SUN YAT-SEN APPROACHED the agricultural land use problem from the point of view of increasing productivity which, according to his view, was hampered by the unjust system of tenancy. He abhorred the exploitation of the farmers by the landowners both from the point of view of social justice as well as that of the people's livelihood in China. In advocating the age-old ideal of China, namely, the land-to-the-tiller policy, he said in his third lecture on Min Sheng:

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 labor is mostly taken away by the landowners. 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 the fruit of their land. The protection of the farmers' rights and the giving to them of a larger share in their harvests are questions related to the equalization of land ownership. When the Min Sheng Principle is fully realized and the problems of the farmer are all solved, each tiller of the soil will possess his own fields—that is to be the final fruit of our efforts (47).

It was indeed farsighted of Dr. Sun when he observed that although China did not have great landowners since a large majority of the farmers were tenants, the land-to-the-tiller policy must be enforced by the government (48). By this single statement Dr. Sun anticipated the problem of reform in a situation where there are many small absentee landowners, as well as underscored the role of government in implementing land reform.

China being a predominantly agricultural country, he aptly remarked: "Unless we can solve the agrarian problem, there will be no solution for the livelihood problem" (49).

In tandem with the "equalization of land ownership," Sun proposed steps to introduce scientific methods of increasing production such as increased use of farm machinery and fertilizers, better irrigation and drainage, rotation of crops, eradication of pests and prevention of natural disasters. In addition, he indicated the need for the establishing of agricultural processing industries and the development of transportation

facilities.

In advocating the corollary reforms simultaneously with the basic tenure reform, Sun once again proved his farsightedness and breadth of vision. Even today, the advocates of agrarian reform tend to overlook the importance of the corollary reforms of the supporting services (such as agricultural extension) and production services, which Sun listed in his lectures. The recent stand taken by the United Nations Food and Agriculture Organization in advocating an integrated approach to agrarian reform corresponds with Sun's concept of the comprehensive, integrated approach to his land-to-the-tiller policy. The detailed manner of the implementation of land reform, which Sun Yat-sen left to posterity, was promulgated by the Nationalist Government in the land laws of 1935 which were later improved and modified.

Henry George also condemned the defective land tenure structure and saw the cause of the distress and destitution of the people in the monopoly of land—either urban or rural. His observations were made primarily in the context of the United States and other western countries such as England and Ireland. He discussed agricultural land in his book *Progress and Poverty* as well as in his later publication entitled *Social Problems*. In fact, it is in the latter book that he gave a more specific and comprehensive treatment of the agricultural sector (50).

Henry George took a dim view of what he considered as halfway measures in land policy by citing the situation in Ireland and England:

These are the people who, beginning to recognize the importance of land question, propose in Ireland and England such measures as judicial valuations of rents and peasant proprietary, and in the United States, the reservation to actual settlers of what is left of the public lands, and the limitation of estates (51).

Such measures, according to him, would not accomplish anything. If we would cure social disease we must go to the root, George said (52). His proposed remedy lies in securing to all citizens their equal right to the land on which they live, and to collect the ground-rents for the benefit of the entire community. According to him,

such a policy would not only increase the production of wealth by throwing open natural opportunities, it would also utterly destroy land monopoly by making the holding of land unprofitable to any but the user. There would be no temptation to any one to hold land in expectation of future increase in its value when that increase was certain to be demanded in taxes. No one could afford to hold valuable land idle when the taxes upon it would be as heavy as they would be were it put to the fullest use. Thus speculation in land would be utterly destroyed, and land not in use would

become free to those who wished to use it (53).

The cure he prescribed was, in his words, "no mere fiscal reform; it is a conforming of the most important social adjustment to natural laws" (54).

The examples he cited were from the developed countries of his time. Under the socio-political circumstances prevailing in many underdeveloped countries after World War II, land tenure reform measures were legislated to enable the governments to regulate rent and to distribute expropriated private land as well as public land. Some countries adopted their land reform programs in combination with the land value tax, as it is successfully done in the Republic of China in Taiwan.

In Taiwan, land reform is carried out in three phases: rent reduction, sale of public land, and the land-to-the-tiller program, followed by implementation of a program for the equalization of land rights in urban areas. In a way, therefore, Dr. Sun's land-to-the-tiller policy combined with his equalization of urban land rights may be construed as being more comprehensive than George's land tax policy as far as less developed countries are concerned.

How does one reconcile the private ownership of farm land after the implementation of the land-to-the-tiller program and the concept of public ownership of land mentioned by Dr. Sun? It was explained by Dr. Sun's followers who implemented land reform in Taiwan, as follows:

First, that the Government may, to meet public needs, purchase privately owned land and turn it into public land.

Second, that the Government may, according to laws enacted by representatives of the people, let private individuals have land ownership, and that such land under private ownership is as good as being publicly owned, because private individuals are by no means entirely free but are bound by the laws and regulations of the country (55).

For example, one such regulation is the restriction imposed on the sale of the land distributed under the land-to-the-tiller program. The land can only be sold to qualified buyers, such as the existing tillers or tenant farmers who had not leased enough land, farmers employed by others, and people who take up farming as their new profession.

The difference in the approach to rural land between Henry George and Sun Yat-sen may be summed up as follows:

Henry George was specific about the role of land value taxation, equally for urban and rural land.

It is clear that the change in taxation which I propose as the means whereby equal rights to the soil may be asserted and maintained, would be to the advantage of farmers who are working land belonging to others, of those

whose farms are virtually owned by mortgagees, and of those who are seeking farms (56).

He compared land value taxation with the taxation levied upon improvements, stressing the advantages of the former thus:

The land of the working farmer is improved land, and usually the value of the improvements and of the stock used in cultivating it bears a very high proportion to the value of the bare land. Now, as all valuable land is not improved as is that of the working farmer, as there is much more of valuable land than of improved land, to substitute for the taxation now levied upon improvements and stock, a tax upon the naked value of land, irrespective of improvements, would be manifestly to the advantage of the owners of improved land, and especially of small owners, the value of whose improvements bears a much greater ratio to the value of their land than is the case with larger owners; and who, as one of the effects of treating improvements as a proper subject of taxation, are taxed far more heavily, even upon the value of their land, than are larger owners (57).

Dr. Sun, on the other hand, saw the defect in land tenure as an inhibitive factor in productivity and hence he espoused the land-to-the-tiller policy. As a corollary, he advocated the organization of farmers into unions and urged them to cooperate with other classes of people. In a speech given at the Government Institute for the Training of Workers for the Peasant Movement in Canton, he said: "When they (farmers) have gained political power, they can emancipate themselves from the present suffering by some such simple device as to ask the government to *levy heavy taxation upon land* and to confiscate the land if the owner refuses to pay taxes" (57). Whether his theory of equalization of land rights and the concept of taxation of unearned increment would apply in *toto* in respect of the agricultural land is not specifically discussed in his Min Sheng Principle. However, as and when the rural land was declared as a result of urbanization to be urban land, the land value tax would automatically become applicable.

It is generally acknowledged that the land tax has played a greater role in the successful implementation of Taiwan's land reform than other elements. "The rural land tax levied is based on the revenue of land, and the urban land tax on land values. However, the latter, including the land value tax, the progressive tax, and the land value increment tax is used as an instrument for our land reform policy" (59). Accordingly, plans are being mapped out to replace the Rural Land Tax by the Land Value Tax (60).

VIII

CONCLUDING REMARKS

BOTH SUN YAT-SEN and Henry George were ahead of their time. Both were criticized by some of their contemporaries as dreamers, a criticism which they scarcely deserved. Both regarded equalization of land rights as central to the socio-economic problems. Both shared antipathy to the monopoly and absentee ownership of land. Both preferred land reform through peaceful and gradual means.

Sun Yat-sen's approach was that of a revolutionary, who, having overthrown the Manchu dynasty, had to set up a new order—both political and economic—in a vast, underdeveloped country with an ancient culture. Sun envisioned a greater role for the Government in the development programs of his country.

Henry George, on the other hand, was confronted with an established, but young, industrialized society, where he unhappily witnessed poverty amidst plenty. Like many other 19th century thinkers, he believed too much in an economic interpretation of history (60). His diagnosis of the economic malaise focused on the "unearned increment," and his proposed remedy to redress the inequity was the adoption of a land tax system within the existing social-political framework.

Both Sun and George were more specific in their application of the theory of unearned increment in the context of urban land. Both saw the problems of land use rights in the agrarian sector. While George applied his land tax theory to both urban and rural land, Sun referred to taxation on unearned increment in his *Min Sheng Principles* explicitly in respect of urban lands and implicitly in respect of agricultural land. Despite his awareness of the fact that China was predominantly agricultural, he perceived the problems of equalization of land rights, not only in the agricultural sector, but equally so in the urban areas. In calling attention to the spiralling land values in Shanghai (China's largest city), he illustrated his theory of unearned increment by the example of an Australian who became a millionaire by virtue of the meteoric rise in the value of a piece of land which he bought at an auction while he was drunk.

Both Sun and George were criticized by their contemporaries as espousing socialism and the nationalization of land. In both cases the charges were unfounded. George clearly stated that he neither proposed to purchase land nor to confiscate privately-owned land. "The first would be unjust; the second, needless . . . It is not necessary to confiscate land; it is

only necessary to confiscate rent" (62). Sun recognized private ownership of land with a proviso that such land shall be liable to taxation according to its value and (declared by the landowner).

Sun Yat-sen's eclectic approach is clearly manifested in the Min Sheng Principle where the influence of the western thinkers had left its impact. In his treatise *China's Revolution*, dated January, 1923, he definitely said that his Third Principle (Min Sheng) was arrived at by comparative examination of social theories and the selection of the best ideas from among them (63). By virtue of its syncretism, the Min Sheng Principle has something to offer for every government in the developing countries regardless of its political and economic orientation. The programs of Min Sheng are so general, said Linebarger, that they can be followed to some degree by governments of any orientation along the Right-Left scale (64).

Henry George's theory of the land value tax also has some relevance (at least to some degree and in certain respects) for every country. Should not the land value tax then be examined, as Steven Cord indicated, "strictly on its own merits, quite apart from whether or not it can be a single tax?" (65). This is exactly what Sun Yat-sen had done in incorporating it in his Min Sheng Principles (66).

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1. Gottfried-Karl Kindermann, "Sun Yat-senism as a Model for Syncretistic Ideologies of Developing Countries," in *Issues in the Future of Asia*, ed. by Richard Lowenthal, (New York: Praeger, 1969), p. 150 *passim*. cp. George R. Geiger, *The Philosophy of Henry George* (New York: Macmillan Co., 1933), pp. 461-62.

2. Paul M. A. Linebarger, *The Political Doctrines of Sun Yat-Sen* (Baltimore: Johns Hopkins University Press, 1937), p. 8.

3. The lectures upon the Principle of Livelihood were never completed by Sun Yat-sen.

4. Sun Yat-sen, *The Outline of National Reconstruction*, p. 85.

5. Linebarger, *op. cit.*, p. 125.

6. Lyon Sharman, *Sun Yat-Sen, His Life and Its Meaning* (New York: John Day Co., 1934), p. 283.

7. *San Min Chu I* (Taipei, Taiwan: China Publishing Co., no date), p. 253.

8. Sun Yat-sen had made only a passing criticism of the "laissez-faire" theory of Adam Smith in *The Wealth of Nations*, commenting that Smith's theory would be useful only in a different era and for China to follow it would be like encouraging a lame man to contend with an automobile.

9. *San Min Chu I*, p. 239. (Williams' book was published in New York by the Sotery Publishing Company in 1921).

10. In his Principle of Democracy he said: "If we pay no attention to each man's intellectual endowments and capacities and push down those who rise to a high position in order to make all equal, the world will not progress and mankind will retrocede." *San Min Chu I*, p. 82.

11. *San Min Chu I*, p. 244.

12. Sun Yat-sen, *Development of China*, p. 237.
13. Linebarger, *op. cit.*, p. 142.
14. *Ibid.*, p. 145.
15. Linebarger, *ibid.*
16. Linebarger, *op. cit.*, p. 145.
17. William, *Social Interpretation of History*, *op. cit.*, p. 80.
18. Linebarger, *loc. cit.*
19. Sun Yat-sen, *The Cult of Sun Yat-sen*, translation by Wei Yung, *Independent Weekly*, Shanghai, 1931, pp. 47-48.
20. Sharman, *Sun Yat-sen*, *op. cit.*, p. 58.
21. Linebarger, *op. cit.*, p. 136.
22. A. M. Woodruff, "A Comparison Between Henry George and Karl Marx in Their Approach to Land Reform," *Readings in Land Reform*, Sein Lin, ed., Hartford: University of Hartford, 1970), p. 17.
23. Tseng Hsiao, *The Theory and Practice of Land Reform in the Republic of China* (Taipei, Taiwan: China Institute of Land Economics, 2nd ed., July 1968), pp. 40-41.
24. Cited by Chen Cheng in his book, *Land Reform in Taiwan*, (Taipei, Taiwan: China Publishing Co., undated), p. 11.
25. Tseng Hsiao, *op. cit.*, p. 42.
26. This provision made the eminent domain broader than the term "public utility" which is construed in the Latin American countries as more restrictive than "social interest."
27. Linebarger, *op. cit.*, p. 256.
28. Tsuin-Chuan Chang, *The Essence of Sun Yat-sen's Political Philosophy*, (Taipei, Taiwan: The College of Chinese Culture Press, undated), p. 30.
29. Tsung-li Chuang Shu, "A Critical Review of Different Schools of Socialism," Vol. 7, pp. 217-18.
30. Linebarger, *op. cit.*, p. 144.
31. Linebarger, *op. cit.*, p. 256.
32. A. M. Woodruff, *op. cit.*, p. 14.
33. *Ibid.*, p. 15.
34. J. S. Mill, *Principles of Political Economy* (New York: Augustus M. Kelly, Publishers, 1969), pp. 817-18.
35. Tseng Hsiao, *op. cit.*, p. 45.
36. Woodruff, *op. cit.*, p. 17.
37. Cited by Chen Cheng, *op. cit.*, p. 12.
38. Linebarger, *op. cit.*, pp. 136-37.
39. *Ibid.*, p. 16.
40. Henry George, *op. cit.*, p. 204.
41. Chen Cheng, *op. cit.*, p. 11.
42. Linebarger, *op. cit.*, p. 237.
43. *San Min Chu I*, *op. cit.*, p. 177.
44. *Ibid.*
45. Hsiao, *op. cit.*, p. 39.
46. Huang Chieh, *Equalization of Urban Land Rights* (Taipei: Taiwan Provincial Government, Dec. 1967), p. 83 *et seq.*
47. *San Min Chu I*, pp. 187-88.
48. Even during the most recent trips by the writer in the developing countries, the pat argument put forth by many landlords in South and Southeast Asia is that since there are very few large landlords, land reform is not relevant in their countries.
49. *San Min Chu I*, p. 188.
50. See chapters on The First Great Reform, The American Farmer, and City and Country in George's *Social Problems* (New York: Robert Schalkenback Foundation, 1966),
51. *Ibid.*, p. 202.
52. *Ibid.*
53. Henry George, *op. cit.*, pp. 209-10.
54. *Loc. cit.*

55. Chen Cheng, *op. cit.*, pp. 15-16.
 56. Henry George, *Social Problems, op. cit.*, p. 220.
 57. *Ibid.*, p. 222.
 58. Leonard S. Hsü, *Sun Yat-sen, His Political and Social Ideals*, (San Diego: University of Southern California Press, 1933), p. 23.
 59. S. K. Shen, "Land Taxation as Related to Land Reform Program in Taiwan," in *1966 International Seminar on Land Taxation, Land Tenure, and Land Reform in Developing Countries*, ed. by Woodruff, et al., (Hartford: University of Hartford, 1966), p. 307.
 60. S. K. Shen, *1966 Seminar*, p. 338.
 61. Steven B. Cord, *Henry George: Dreamer or Realist*, (Philadelphia: University of Pennsylvania Press, 1965), p. 227.
 62. Henry George, *op. cit.*, p. 405.
 63. Lyon Sharman, *op. cit.*, p. 281.
 64. Linebarger, *op. cit.*, p. 261.
 65. Cord, *op. cit.*, p. 235.
 66. Other works consulted include: Brown and Lin, (eds.), *Land Reform in Developing Countries* (Hartford: University of Hartford, Conn., 1968). James Cantlie, *Sun Yat-Sen and The Awakening of China* (New York: Fleming H. Revell Co., 1912). Erich Fromm, *Marx's Concept of Man* (New York: Frederic Ungar Publishing Co., 18th ed., 1972). Maurice William, *Sun Yat-Sen Versus Communism: New Evidence Establishing China's Right to the Support of Democratic Nations* (Baltimore: Williams and Wilkins Co., 1932).

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