

TWO YEARS ago the 100th anniversary of the birth of Chiang Kai-shek – the Chinese leader defeated by Mao Ze-dong – went largely unnoticed in the western world.

The same applied in mainland China (the People's Republic of China). But it was not forgotten in the Republic of China which reigns on Taiwan.

When Chiang's forces lost to Mao's forces in 1949, he and about two million of his followers fled to Taiwan where along with the native inhabitants, the Republic was continued.

Generalissimo Chiang became President Chiang, and after his death his son succeeded him.

The Republic has considered itself to be the real China in opposition to the mainland communist regime. But eventually it was expelled from the United Nations in favour of the People's Republic.

In a curious state of political suspension, an unrecognized non-nation, Taiwan has prospered economically. Although Chiang Kai-shek's reputation was effectively tarnished by Mao Ze-dong and his advocates, we ought to heed the saying, "by their fruits you shall know them."

Mao precipitated 25 years of disaster, including the notorious "cultural revolution", while in the much smaller area of Taiwan, a successful economy was built up.

IN OCTOBER 1986 there took place an international seminar in Taipei, on "President Chiang Kai-shek and Land Reform," sponsored by the China Land Reform Association. Its President is Dr. Tsieng Hsiao, appointed by Chiang himself.

A report of the proceedings of this seminar, edited by Prof. Isaac M. Ofori of Ghana, has been issued.

Chiang Kai-shek was a faithful disciple of Dr. Sun Yat-sen, founder of the Chinese Republic, who was much concerned with the land question. One of his basic principles was "equalization of land rights", and he was strongly influenced by Henry George.

He studied with close interest the pre-World War I German colony of Tsingtao in China, where its administrator, Wilhelm Schrameier, applied a version of the single tax.

This was reported at the seminar by Prof. Wilhelm Matzat of Bonn University. The success of the Tsingtao experiment was also recor-

# Taiwan lessons

By BOB CLANCY

ded in the September-October 1987 issue of *Land and Liberty*.

After the devastation of World War II, the rebuilding of China began and in 1946 a Constitution was adopted which paid attention to the land question including its taxation. This was of course interrupted by the civil war precipitated by Mao.

In retreating to Taiwan, Chiang sought to continue Sun's principles. This included public ownership of the land with free use by the people and a competitive market system – a balance between equality and freedom.

"Land to the tiller" and "equalization of land rights" were guiding principles. This involved the following: rent reduction, government purchase of land, and taxation of socially-created increments of land value.

The system, says Dr. Hsiao, "includes all the merits of the land system of nationalization and the land system of privatization." Absentee ownership and speculation in farm-land have been virtually eliminated and farm tenancy greatly reduced.

The result, while not pure single tax, is a vast improvement over most land systems in effect today. Edwin J. Feulner, President of the conservative Heritage Foundation in Washington, D.C. wrote a preface to this report praising Taiwan's "land reform while maintaining property rights," and we hope he understood what he was praising.

Different phases of the Taiwan land reform were discussed by various participants in the seminar: agricultural and economic development, by Toing-chuang Wu and Yin Chang-fu; current problems and policies, by Yu-kang Mao.

Ramon H. Myers of the Hoover

Institution dealt with prospects in mainland China and new directions sought since Mao. Communes were discontinued and more private enterprise was encouraged.

However, the Communist Party retains control, has not given up socialist doctrine, and a period of confusion reigns today the outcome of which is not yet clear.

One hopeful development is a measure allowing private use of land with a payment of part of the produce, a "rent", paid to the state.

Prof. Natsuki Kanazawa spoke on Japan, noting that land reform greatly increased the number of small farm owners, and farm communities called "shuraku" have been developed. But one serious problem is the soaring price of land and the Japanese are seeking to handle it by means of controls, not having discovered LVT.

LAND REFORM in the Philippines was discussed by Sein Lin of the Lincoln Institute. There has been excessive concentration of land-ownership and low tax on land. To introduce land reform, "a formidable array of administrative measures" have been adopted.

So complex, so bureaucratic is this system that land reform has become paralyzed – which makes more understandable the unrest in the country. Efforts to induce Philippine officials to consider LVT have met with little success.

An interesting paper is "To Land on Spaceship Earth" by Robert McAlpine of the Australian Institute of Valuers. Taking a global perspective, he warns that the tendency to enclose the limited area of the earth by a few families and profiteers is leading to serious trouble.

The earth should be available to all, and Mr. McAlpine quotes extensively from a paper given by Kenneth Grigg at a 1981 conference in Taiwan in which, referring to the land question, he said:

"Henry George solved the problem. The answer was to socialize the land rentals: as the community developed and its land thereby became more valuable, the increased rentals would be collected through the taxation system, so that everybody could share in the benefits."

Reformers of the world would do well to heed this and other lessons from this outstanding seminar.