

DISCUSSION OF "DR. SUN YAT-SEN AND HENRY GEORGE"

BY

SEIN LIN

Both Dr. Sun and Henry George shared the concept of land as a natural resource, a free gift of nature rather than as a commodity. Both sought to find the cause and the cure of poverty. Henry George saw in the monopoly of land the root cause of all social and economic problems. Centrality of land in policies of both men is apparent. While Henry George attempted to remedy the problems of poverty amidst plenty in a young and vibrant industrialized society of the U.S., Dr. Sun was (as rightly pointed out by the paper), formulating land policy measures that would forestall the problems of industrialized Western countries with a view to prevent their occurrence in China.

The two main pillars of Min Sheng Principle advocated by Sun Yat-sen are: (1) equalization of land ownership, and (2) regulation of capital. Some Chinese scholars have interpreted that the equalization of land rights is really the most essential part of the Min Sheng Principle, and that the latter part, namely the regulation of capital, is subsidiary.

According to the paper Dr. Sun seemed to have accepted Henry George's idea of making land a common property and George's advocacy for land tax. Later, however, he modified his acceptance as he evolved the principle of equalization of land rights.

In his paper, Dr. Mao said that Sun Yat-sen first paid attention to the problems of land utilization and agricultural production. Dr. Sun did not say much about land distribution until he returned from his first trip to Europe. The paper also stated that in his early writings and speeches, Dr. Sun rarely mentioned the agricultural land. When Dr. Sun discussed about equalization of land rights, he often had urban land in his mind. Of course, Dr. Mao clarified that this does not mean that agricultural land was not important to Dr. Sun, but only that the problem of agricultural land was not as serious as urban land. It is not apparent how it could be so in China of Dr. Sun's time. At least it would not be in line with the earlier statement that Dr. Sun first paid attention to agricultural production.

Dr. Sun's land policy as enunciated in the Min Sheng Chu I is a broad and comprehensive one. He tackled both the urban land and rural land problems in his Third Principle.

Mao asserted that to Sun, land utilization is a problem of prime importance, but did not discuss the relative priority between the unjust tenure system and land utilization concerning productivity although elsewhere in his paper he mentioned Sun's emphasis on the problems of land monopoly. 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. His observations were made primarily in the context of the United States and western countries such as England and Ireland. He discussed the problems of agricultural land tenure in his book "Progress and Poverty" but more extensively in his later publications titled, "The Irish Land Question" and "Social Problems." It is interesting to note that most of his diagnosis of the Irish Land Question is true of the land problems in the developing world today. George himself asserted that the inequities in the Irish land system is essentially the same land systems which prevails in all civilized countries. George's proposed remedy is much more drastic than Sun Yat-sen's principles as adopted in the land-to-the-tiller programs in Taiwan have evidenced. In his chapter titled on "Landlords' Right is Labors' Wrong" he proposed more radical measures than Sun.

In his analysis of proposed solutions of land problems by Sun Yat-sen and Henry George, Dr. Mao's paper brought out the differences in approach. "George advocated the land tax through which all rent would be taken away ... Dr. Sun relied on both tax and other measures including the confiscation of the 'unearned increment,' after the land value is fixed ... Sun's solution was similar to John Stuart Mill's plan for nationalizing the future unearned increase in the value of land." In this connection Paul M.A. Linebarger's (The Political Doctrines of Sun Yat-sen, Johns Hopkins Press, 1937) comments seem to clarify part of what Dr. Mao's paper touched on briefly:

"Sun Yat-sen's opposition to the 'unearned increment' shows the influence of the thought of Henry George. Sun proposed an ingenious scheme for the government confiscation of the unearned increment ... which would nevertheless permit private ownership of land. Linebarger surmised that since Sun's land policy never approached the Marxist-Leninist program of nationalization or collectivization of land, but remained one of redistribution and confiscation of unearned increment, it is safe to say that Sun kept the theory of George in mind, although he by no means followed George to the latter's ultimate conclusions. Apparently what Linebarger meant to say was that Sun Yat-sen chose as his point of departure from George's theory of 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. To borrow Linebarger's words: "An idea was borrowed; the scheme of things was not."

Dr. Mao assumes that George favored, though implicitly, the separation of land ownership and the right of land utilization. This is an important assumption which would have a far-reaching implication in the implementation of land reform. George did say that "there is in nature no such thing as fee simple in land." However, George did not advocate the confiscation of land by the government, arguing that the same end could be more easily and practically accomplished by collecting all land rent for government use through taxation. He wanted the government to collect land rent, not to confiscate land titles. (Steven Cord, Henry George: Dreamer or Realist? Oxford University Press, 1965, pp. 25-26.)

In this context I wish to comment briefly on the Land Ownership issues in developing countries. Ownership of land in the context of the developing countries is a relative concept. In many countries where land reform is being implemented the conferral of land ownership title is not absolute in the sense that the government of necessity or for justice has to qualify the title. Commenting on "Land Reform, Land Use Changes, and Capital Gains: The Philippine Case," (L.T.C. No. 108, p.5) Duncan Harkin has commented: "... In the restrictions on the certificate of land transfer, i.e., that the land may be transferred only to one inheritor or to the government, some qualification of freehold title seems to be implied. Whether or not as was intended when the restrictions were included in the land reform transfer certificates, the continuation of these restrictions after land changes from agricultural use to some urban use would provide a strong tool in the hands of government for guiding the course of urban development."

One of the measures recommended is to use government powers to pool temporarily the ownership of land into various private cooperatives. The cooperative would distribute to its members the overall gain occasioned by their transfers of development permissions between various parcels. It is argued that "If such a system were linked to some recapture or betterment tax, it would accomplish both the goals of equal treatment between landowners and the recapture by the government of the increase in value occasioned by government investment." (Neal A. Roberts, Great Britain, Government Ownership and the Quest for the Elusive Betterment, in The Government Land Developers, Ed. N.A. Roberts, Lexington Books, 1977, p.4).

Dr. Mao concluded that 100 years ago after Henry George wrote Progress and Poverty land problems remain very much unsolved in many countries. Many countries have launched their land reform programs to solve these persistent problems. Still more have given lip service to the merits of land reform. But not too many have made the mark.

To quote a record of the recent debate on public land ownership prior to U.N. Habitat 1976: "Only through stepping outside our current perspective on land and its ownership will we really be able to re-examine the basis of many of the problems that have plagued urban society for so long ..." (Dalton Kehoe, et al., Public Land Ownership: Framework for Evaluation, Lexington Books, 1976, p. 7). I would add that both Dr. Sun and Henry George did that nearly a century ago.

Comments from the Floor

A.M. Ofori: We are told that Henry George did not approve the idea of compensation to land owners; as he put it "If land belongs to the people, why continue to permit landowners to take the rent, or compensate them in any manner for the loss of rent." We know that Dr. Sun took a completely opposite position. While we are discussing land policy and land taxation in this seminar, I think we have also to consider which one of the two ideas is more applicable under present circumstances. I would like to think that the thing like fair compensation is missing in Henry George's mind. Actually the land problems were not as serious in Henry George's and Dr. Sun Yat-sen's time as now, But they already took different views to solve the problem. So we have to be very careful to deal with this problem as we assemble here to discuss it.

Chairman: Any other comments?

Bi-li Yang: Mao's paper mentions 100% land rent tax. I think it would be proper to replace the word taxation with confiscations.

Woodruff: Karl Marx in the Manifesto commented that the one good thing that the industrial revolution achieved was to rescue the population from idiocy of rural living. The communists have never quite dropped this and they try to organize their rural sector like the urban. And interestingly enough both reformers, Henry George and Dr. Sun Yat-sen, began talking about urban problems and later moved over to the rural side, particularly Dr. Sun.

Y.K. Mao: Dr. Lin asks me to make some explanation on Dr. Sun Yat-sen's land policy whether he emphasized more on urban land rather than on agricultural land. To my knowledge, at first Dr. Sun Yat-sen paid his attention on farm land use. In the letter he wrote to Li Hong-chang, in the time of 1895 to 1900 he recommended that the government should improve the use of farmland and to increase agricultural production. What he suggested is the government should introduce modern agricultural technology from the advanced countries in China such as irrigation, improved seeds, chemical fertilizers, and pest controls, etc. Then in 1905 when he organized Tung Meng Hui he officially announced the policy of equalization of land rights. In this policy he emphasized urban land. Then when he finally delivered Three Principles of People, both equalization of land rights and "Land-to-the-tiller" program were equally stressed in the Principles of Livelihood. It seems to me that Dr. Sun found the farmland problem was very important to Chinese economy, so he emphasized on the "land-to-the-tiller" program. This is my impression after I read Dr. Sun's writings. I might be wrong.