

In April of this year the Republic of China will celebrate the 20th anniversary of the flight of its president, Chiang Kai-shek, with his army and other faithful followers from Mainland China to the province of Taiwan. But as a successor of President Sun Yat-sen, he also brought with him the ideas and plans of that great reformer.

After its arrival, and assured of national security by American sea power and with American economic aid, the new government began the work of shaping the policies of a new nation.

Taiwan, which still regards itself as a province of China, during the many years of Japanese occupation served mainly as a rice and cane-sugar bowl which exported much of its produce to Japan. The development of industry was not encouraged. And aside from a source of raw materials, it served as a Japanese naval and air base. This was what the Republic of China inherited after the peace of 1945

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Dr. Sun Yat-sen, during his exile in Western countries after the abortive revolution in 1895, was greatly influenced by the concepts of land reform of Henry George and John Stuart Mill. When he returned in 1911 and became president of China, he sought to apply what he called the "equalization of land rights." In the constitution of the new nation on Taiwan, these concepts are spelled out.

Then the Chiang Kai-shek government proceeded to implement these principles step by step. Rent was reduced from 70% of the cash crop to 37.5%. With what the farmer retained, he was able to pay for his land in yearly installments. In a few years 300,000 farmers were able to own their own land. The government's publicly owned land, taken over from colonial Japan, and what was left in the hands of landlords gradually moved into the possession of the people who tilled it at a price of roughly 2.5 times the value of an annual crop.

The government's purchase of the holdings of the landlords was aided by U.S. loans administered by the American Security Mission and a Chinese-American Joint Commission on Rural Reconstruction.

According to Karl Brandt of the Hoover Institution of Stanford, who was a member of President Eisenhower's Council of Economic Advisers, the loss to the landlords by this transfer has been more than repaid, since the economic growth of the nation has offered them greater opportunities outside of agriculture. Brandt's summation is this:

"This achieved agrarian reform represents a challenge to all those leaders in developing countries who have been toying with vague ideas of reform:

1--The redistribution of land has fortified the peoples' faith in the institution of property in land and in Guaranteed freedom of management of this resource. Avoidance of confiscation and payment of indemnity to the expropriated part of the land, combined with the general uplift of the economy and the disappearance of conflict between landlords and tenants, have contributed to a feeling of assurance.

2--The new owners have actually paid off within the period of 10 years the entire debt to the Land Bank of Taiwan, thus closing the chapter on Agrarian reform

3--Instead of a reduction of agricultural output that has invariably followed agrarian reform in other countries, the case of Taiwan proves that it is possible to avoid such damage if appropriate opportunities are opened to farmers and if incentives are present."

C. K. Yen, vice president of the republic, said a year ago that as a result of the reforms 86% of the farm population has become owners of 90% of the productive land in Taiwan.

The prosperity of Taiwan is shown not only by expanding exports and industrial growth but by its influence in other developing countries. For example,