

*That All  
May Live*

*Guidelines Towards  
a  
Better Society*

*Godfrey Dunkley*

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A. Whyte Publishers

## **That All May Live**

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The male gender is used generically throughout this book and encompasses mankind - *both male and female.*

Note: In this second printing the diagram numbers have been corrected from those shown in the first proof print.

**Dedicated to  
The Creator  
Mankind  
and  
All the People  
of  
Southern Africa.**

## **Acknowledgements**

Returning by car from the Second Libertarian Conference held at Little Switzerland on the Free State/Natal border, Yvonne, my wife, and I were discussing the excellent speeches and papers which had been presented. In summary, however, the conference fell short of providing any real reasons for the extremes of progress and poverty, the lack of free markets for all and the lack of true liberty for any. All papers presented disregarded the crippling effects of landocracy, land tenure and bad taxation.

And so it was during that trip that the decision was made to write this book. That was in August 1987. It has taken two years to write and edit and has required the assistance of many friends, too numerous to mention.

Special thanks to Yvonne for her encouragement and for putting up with working weekends, to David Allen for early editing, to Carol Goodwin for final editing of my English, and to Sandy Whyte for all sorts of assistance throughout. Finally, thanks to David Tait for willing assistance with typesetting, frequently over weekends or at night.

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# INTRODUCTION

There is a madness that is sweeping the world - and ALL are being engulfed! None, not even the most protected in the land, can remain untouched.

At one extreme, for the mass of humanity, there is desperate poverty and disease - and the ensuing social ills, violence and crime. At the other, there is incalculable wealth and power, still for the privileged few - and the ensuing social ills, violence and crime - perhaps of another kind! Somewhere in between is the bewildered man who remembers with nostalgia a time when he could leave his door unlocked, breathe clean air and keep ahead of inflation.

Accepting that man has a right to life, he has also a longing to prove his worth, explore his full capabilities and determine his own destiny. In an idealistic society it should be possible for him to have these opportunities. In a realistic society he would be obliged to earn respect, show self-reliance and deserve freedom.

Neither Communism nor Capitalism, nor the various degrees of socialism in between, can be seen to have achieved an equilibrium between the rights of the individual and the interests of the society, though all may or may not have improved the human condition from the vantage point of those who benefit most.

So - where to from here? Can there be a more equitable social system whereby man and society work with and for each other? Is it not possible to draw upon the best of all systems and philosophies down the ages and find some compromise? On such a quest, the author has done just this and he draws upon the ideas of wise men and great thinkers to form the nucleus of this work - **THAT ALL MAY LIVE!**

However, the most exciting and original aspect of this book is the way the author has blended the ideas of the classical thinkers with his own, focusing specifically upon the landocracy. His hypothesis is that, since the resources on this planet emanate directly or indirectly from land and the use to which it is put, *the intrinsic value of land, based on its usefulness, should act as the standard for the entire value system, that is, land - and land only - should form the sole basis of state revenue.* With land properly valued as the determinant, in a really free enterprise system, all other component parts would settle into their rightful place. In this way, wealth would be more fairly distributed, without the existing gross distortions - not as welfare but as just deserts!

Wisely, it is not left to governments alone but to the individuals who make up the whole to seek solutions to the social ills that beset us all. Surely men - of whatever persuasion - have a common goal and must this not be the harmony and equilibrium of the natural world? If the ideas presented in these pages hold the hope of leading us towards a new frontier with the prospect of a better life for all, it is imperative that we pursue this possibility as though our lives depend upon it for, in the end, perhaps they do!

The author presents an option - THAT ALL MAY LIVE.!

Carol D. Goodwin

## CHAPTER ONE

# THE NEED FOR FREEDOM

Most of the problems we face in life can be traced back to limitations on our freedom over the whole of our lifetime. These restraints touch all of us, even those who believe that they are free and those who assume that they are not!

We all have an infinite capacity for developing our natural talents. However, only by the simultaneous exercise and growth of body, mind and spirit can we be fulfilled.

Many of the fears and limitations which we experience are an indication that something has gone wrong; one or other aspect of our development has been suspended. Many arise from a lack of union with the creation and a lack of trust in the future. If we had confidence and maturity we would live life in the present to the best of our ability and have complete trust in the future.

There are ten basic laws which relate to human behaviour, the observance of which is essential to the happiness of all. These have formed the basis of law in almost every civilised society through the ages and when we disobey these laws we threaten the freedom and security of our fellow man. Besides these basic laws, there are also rules of conduct necessary for the general wellbeing. All other laws and regulations are mostly interpretations of the basic laws and are for the benefit of those who do not understand them.

How do laws, which appear to be a restraint on freedom, actually protect our freedom?

It has been said that true freedom arises from abidance by the laws. It takes only one person's disregard of the basic laws for someone else's freedom to be threatened.

John Stuart Mill in his essay, "On Liberty", stated that "the sole end for which mankind is warranted, individually or collectively, in interfering with the liberty of any of their number, is self-protection".

Professor Robert V. Andelson added to this that "the only legitimate reason for interfering with freedom is to protect freedom. Unless freedom is reciprocally distributed, it operates oppressively on those who do not share it to the same extent as others. Therefore no one can be entrusted with freedom who cannot, or will not, observe the rule of reciprocity".

Besides laws and regulations limiting freedom, some theories, opinions and beliefs - both personal and those of others - can be very real restraints. A contemplated action may not be in conflict with the law but, if it is believed to be so, then most people will feel constrained to avoid performing it.

A typical example of this was the belief some fifteen years ago that mixed-race public meetings were illegal in South Africa. A short-lived group under the name of "Verligte" Action, (Enlightened Action), did the country a service by blowing this myth wide open. When two independent searches could not trace the supposed law, a public meeting was held in the Johannesburg City Hall. Although both speakers and the audience were made up of people of all race groups, yet the skies did not fall in. In retrospect, this meeting paved the way for much of the change which has subsequently taken place.

Ideas are very powerful and can have a significant effect upon the freedom or lack of freedom of the individual.

The story is told of shepherd boys in the Middle East who, in not so ancient times, could be held captive purely by having drawn around them a circle in the sand.

Yet another aspect of freedom which men are denied is the freedom of movement occasioned not by laws and regulations but by stringent economic need. How many men in squatters' camps today, given the same opportunities as many readers, could well be living in comfort? How many people are restricted to very little geographical movement because of lack of funds? that travel broadens man's horizons is seldom appreciated by those who are restricted in their movement.

Can men really be free to develop their talents and live a full life when the lack of funds denies them access to education?

In the light of the foregoing, the struggle which has for years been taking place to establish so-called freedom and independence, particularly in Third World countries, seems to have taken a wrong turn. Greed for power has little to do with improving the quality of life.

Another major threat to freedom is the whole range of individual interest groups. Such *exclusive clubs* work on the same principle; something better for us to the exclusion of the rest. A few of these may be purely a collection of people with common interests which do not detract from the general wellbeing. Most, however, are designed to provide benefits for their members exclusively.

The adherents of socialism and communism may be bent on destroying the exclusive club of capitalism yet while capitalism does require some measure of reform it is, after all, the major producer of wealth throughout the world. If this wealth could be more equitably distributed, capitalism could provide a reasonable living for all. *There is no need to replace one exclusive club with another!*

Ever since the industrial revolution trade unions have been, and still are, a significant force in the development of First World countries. Nevertheless, many have become another form of exclusive club, albeit with good intentions. They also

invariably cause additional unemployment and increase the level of poverty and loss of freedom because they will claim their pound of flesh irrespective of how society may be bleeding. Even the imposition of minimum wages is an infringement on the freedom of less skilled people and may prevent them from ever obtaining a job!

However admirable the efforts of various groups may be to relieve the masses from poverty they frequently miss their target; which is not to say that their objectives are unobtainable but rather that their understanding of method is off-beam.

Yet there is a way to retain the wealth-producing machine and still raise the standard of living of everyone, but we need to find a way to reconcile the various objectives at the minimum cost to all.

**NEW IDEAS MUST BE FOUND AND AGREED  
UPON TO BRING PEACE AND STABILITY.  
CONDITIONS CAN BE CREATED SO THAT ALL  
MAY LIVE!**

**Notes:**



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## CHAPTER TWO

# WHAT IS FREEDOM?

Just before the Belgian Congo received its independence in 1960, rabble rousers had successfully convinced many people that "freedom" meant that they would be free to ride on the buses and trains without paying! There were even other, more serious, misinterpretations of "freedom". Anticipation was high. Some believed that they could take over the homes and cars of whites. These hopes were rapidly shattered soon after independence. No wonder the country was plunged into civil war two weeks after the great day!

In spite of having prepared for such an eventuality, (for months they had been secretly storing food and ammunition above their ceilings without even their domestic servants knowing), when the shooting started, the whites were faced with the reality that, if they stood their ground and eventually lost, they could have been classified as traitors. And so they fled.

Many blacks faced even more tragic circumstances. The very independence for which they were prepared to fight in many cases was the end of their freedom.

But what is freedom and how can it be defined?

The subject of freedom has been very well dealt with by Professor Robert V. Andelson in his book "Imputed Rights":

*"Let us now examine briefly the specific rights which are components of the primal right of freedom from predation, and the enforcement of which is the only legitimate office of the state as a coercive power. It is scarcely necessary to dwell upon the*

*point that these, like the more general right from which they stem, are in principle self-limiting according to the contextual demands of reciprocity.*

*Rights do not...conflict with one another. Only freedoms which are reciprocal can be considered rights, and no freedom is reciprocal which requires for its realisation the violation of other freedoms. Where there is a conflict between apparent particularisations of reciprocal freedom, closer analysis will reveal that one or more of the competing particularisations is non-reciprocal and therefore false."*

Prof. Andelson proceeds to give the rights which lead to freedom under five categories:

1. *The Right to Physical Integrity . . . . the freedom of the person proper from encroachment . . . . nor need a violation involve direct physical contact . . . . the right to freedom from intrusion is fundamental.*
2. *The Right to Freedom of Expression. . . . forbids encroachment upon non-predatory action, whether action in the form of movement or of speech and of publication."*

He includes freedom of assembly, freedom of association and freedom of movement; but in all cases he also accepts limitations where these come into conflict with other equal rights:

*"Thus arbitrary bondage to a fixed location has no moral warrant; it cannot be rationally deduced from the demands of mutual freedom. Neither can occupational restrictions based upon hereditary status."*

Freedom of expression also includes freedom to work but not the right to work as interpreted by some slogans:

*"Freedom to pursue an occupation of one's choice does not encompass any title of assurance that one gain a livelihood by such pursuit. . . Occupational freedom implies also the right not to work, although this no more properly signifies the right to*

*be supported while not working than the right to work properly signifies the right to have work artificially provided."*

This will be discussed in a later chapter.

### 3. *The Right to Observance of Contracts.*

*Hocking is quoted: "the right to form expectations based on the promises of fellow-men and to depend on their fulfilment". The expression "to break one's word" is itself suggestive of an act of violence.*

### 4. *The Right to Ownership of Labour Products.*

*The term "property rights" refers to one of the most fundamental of human rights, the right of human beings to own property . . . .to usurp property legitimately acquired is logically the same as cutting off so many hours from its producer's life, the only difference from murder being that the hours are past instead of future."*

Property rights constitute one of the most important issues in the clash of ideology between capitalism and communism.

Is it possible that the advocates of both capitalism and communism have overlooked certain fundamental issues relating to what may be termed natural laws? Is it possible that there could be a third system which would not really clash with the basic objectives of either philosophy? This possibility, the idea that another system could succeed where the existing ideologies are failing, forms one of the major postulations of this work.

The writer is convinced that a system could be devised which would provide a reasonable and acceptable compromise between left and right ideologies. With a slight sacrifice from both sides all people could enjoy a degree of freedom and quality of life not envisaged by either side and without presenting any danger to either philosophy. It should be seriously investigated

in an approach to what Plato called the "Golden Cord of Reason".

Andelson quotes from, amongst others, Herbert Spencer's "Social Statics" which is most appropriate to our present impasse between right and left thought:

5. *The right to freedom in the use of nature:*

*"Given a race of beings having like claim to pursue the objects of their desires . . . and it unavoidably follows that they have equal rights to the use of this world. For if each of them 'has freedom to do all that he wills, provided he infringes not the equal freedom of any other', then each of them is free to use the earth for the satisfaction of his wants, provided he allows all others the same liberty. And conversely, it is manifest that no one, or any part of them, may use the earth in such a way as to prevent the rest from similarly using it; seeing that to do this is to assume greater freedom than the rest, and consequently to break the law."*

Andelson also quotes Henry George:

*"As labour cannot produce without the use of land, the denial of the equal right to the use of land is necessarily the denial of the right of labour to its own produce."*

It is commonly thought that freedom arises automatically when a country is given independence from imperialism and all people are given the vote. More often than not this only leads to anarchy and loss of economic freedom. True freedom can arise only from understanding and observing natural laws. These include the laws of economics.

**FREEDOM IS CLOSELY LINKED TO BOTH THE  
OBSERVANCE OF LAW AND ACCESS TO THE  
USE OF LAND**

Notes:



## **CHAPTER THREE**

# **JUSTICE FOR ALL; MAN'S RIGHT TO WORK**

Mass unemployment has become a phenomenon of the modern world and is on the increase both in the developed countries and in the Third World. In spite of the rapid advance in scientific knowledge and technology, governments are faced with the major problem of creating jobs at an increasing rate and at ever escalating costs.

Although the plight of unemployed people is recognised and efforts are made to improve their lot by a variety of welfare and state-sponsored schemes, these seldom get to the heart of the problem and frequently have an adverse effect in the long term by entrenching the very problem that they are designed to relieve. Through the ages it has been recognised that it is within man's basic nature to work in order to realise his talents and attain his "true or substantial happiness", yet welfare tends to rob man of his dignity and the will to work.

Society thus has a duty to ensure that all men and women are given the opportunity to perform meaningful work. To be given private or state charity is no fitting substitute; rather it is the prelude to the disintegration of a nation!

In studying the problem of unemployment it can be shown that there are several major causes, most of which are fairly deep-seated in a system of taxation which plays a major part in preventing men and many women from being economically employed. It directly causes unemployment in two overlapping but recognisably different ways, and indirectly through the system itself.

Firstly, the incidence of taxation bears heaviest on the least productive land in use, which is often termed marginal land. It is at the margin between economically viable land and land which cannot be worked economically under the existing conditions. ( See Chapter Five.)

Any increase in taxation will inevitably shift the margin so that what was previously marginal land and only just workable becomes sub-marginal land. When this sub-marginal land goes out of production, naturally there must be an increase in unemployment.

The second effect of taxation is to render labour unemployable, even on prime land. When the overall cost of employing labour is higher than its economic return or the equivalent cost of labour-saving devices, that labour may be termed marginal labour. *Any increase in taxation on marginal labour must, in time, rob it of the chance to work.*

A reduction of taxes directly impinging on labour at the margin could in time encourage its re-employment. But often it is too late if marginal business has been forced into liquidation by the combination of the two effects of bad taxation. (Explained in Chapter Five.)

The third major cause of unemployment is when land and natural resources are not available at a reasonable price for labour and capital to be applied to them. Taxation, either directly or indirectly, can play a significant part in this. Bad taxation encourages speculation in land and the withholding of prime land and natural resources from productive use. *Land monopoly is the father of all monopolies!*

### MAN'S RIGHT TO WORK

As has been said before, people should have one basic right, besides the right to life, and that is the right to work. This does not mean giving sheltered employment to the lazy and layabouts. All other rights must be earned by implied acceptance of the corresponding duties. Rights can arise only when everyone actively and passively accepts his corresponding duties. As an example, the right to one's possessions really exists only when all others accept this right and observe their duty not to steal. To steal another's possessions is to steal a portion of his life and effort.

It is as much an essential part of man's nature to work and serve as it is to be a part of the social order within which he finds himself.

Mr. Lesley Blake, presenting a lecture to the School of Economic Science in London, said:

*"Prosperity and freedom are the natural conditions of men; poverty is an act of unnatural thinking, and above all economics is not Godless, rather it is Godful since it expresses His laws in creation."*

Sir William Blackstone in his classic work, "Commentaries on the Laws of England", said:

*"It is natural that every man should seek his own happiness. If he lives according to the natural law it leads him to his 'true or substantial happiness'."*

Throughout history it has been accepted that it is natural for man to work to support himself and his family so that they might contribute to the welfare of the society within which they live, both by service and creativity. When a man is denied the opportunity to work, he is unable to exercise and develop his own skills, powers and talents or put them to some useful purpose. If you take away from man his right and opportunity to work, you deprive him and his family of something very

critical indeed - the ability to be true to their own nature because it is through their work and service that they grow in stature.

Unemployment is regarded by the individual as a rejection by society and robs him and his family of their dignity and confidence in their own ability, only to be restored, and then gradually, when he is again usefully employed. Before then the family endures a period of economic plight and emotional strain which may leave them permanently scarred. During this period of unemployment, or even after, the unemployed may become resentful and easily influenced by antisocial ideas which can be given power by resentment. The effect may be greater on the children than the parents.

Partly recognising the material aspect of this problem, modern society has organised charities and introduced social welfare to help people in need. However, this very act entrenches loss of dignity and self-respect. In time men, in particular, become unemployable. They are both condemned and assisted into a life of frustration because of the lack of fulfilment of their natural talents.

*"It would be better to build battleships and go and sink them at sea rather than have everyone sitting around doing nothing,"* said John Maynard Keynes.

The idea that a man or a woman is entitled to social security or unemployment benefits strips society of its basic duty to provide employment. When the amount of financial assistance given becomes relatively large, say 90% of basic wages as applies in parts of Europe, then those who are unemployed have little incentive to seek honorable employment again; they are frequently caught in a system in which they become permanent leeches on the society in which they live. It becomes easy for them to justify to themselves their fall from dignity. Is this freedom? Is this living? How can any reasonable society be happy with such a system?

The story of the degradation of mankind does not end here.

If those who remain employed are now effectively receiving only 10% more than the unemployed for performing a full and hard day's work, it is only natural that they will become discontented and slow down their working effort. When this happens the annual production of wealth is severely reduced and prices must go up.

The whole concept of receiving pay for doing little or nothing, whether employed or not, is extremely dangerous and can and will destroy the morale of a nation. Yet this destructive practice readily takes on the cloak of respectability and is accepted by the people to the ultimate shame of the whole nation. A process which acts against man's higher nature, in time, as history has often proved, leads to the downfall of a nation, of a society, or even of a culture.

Again quoting from Keynes:

*"The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. The world is ruled by little else: practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist."*

When the economist becomes almost entirely concerned with material issues, the connection with natural law becomes lost and the subject loses its direction. No wonder that a hundred economists will have a hundred different views on any one subject; no wonder that the average citizen regards the whole subject of economics as a mystery and switches off when the subject is mentioned.

TRUTH AND SIMPLICITY NORMALLY GO TOGETHER; WHERE THERE IS COMPLEXITY ONE SHOULD ALWAYS SUSPECT A DEPARTURE FROM THE BASIC TRUTH.



## CHAPTER FOUR

# ABANDON POVERTY

The welfare of the population can be related directly to its access to land and the productivity of that land whether used for farming or as a base for industry. Its access to land and how that land will be worked is, in turn, related to the prevailing laws and conditions which will also govern the proportion of the produce which it is permitted and able to keep to its own advantage. Conditions existing at the point of interaction of land and labour vary widely according to the type of government and the laws and regulations which have been set up over the years. Local customs and beliefs also play a major part in the presence or absence of poverty.

Wealth is produced by the constructive application of labour to or on land which, under ideal conditions, will be the maximum consistent with natural factors and climate. But ideal conditions do not exist anywhere on earth. Consider the two triads given below:

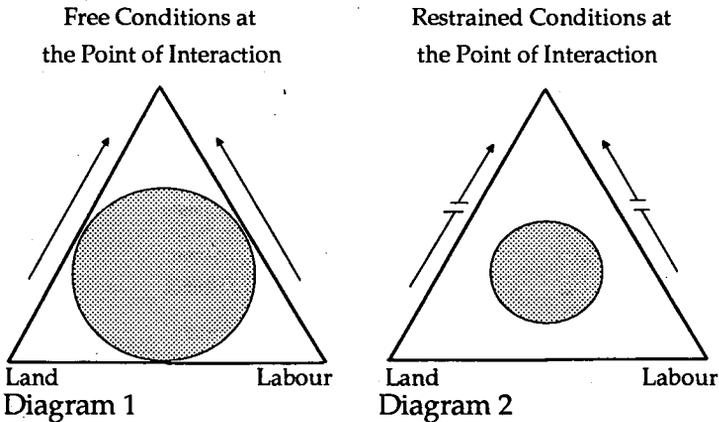


Diagram 1 shows conditions where land is freely available to be used by labour. This is indicated by the unbroken arrow on the left. Here as well are there no unnecessary restrictions on labour as shown by the arrow on the right. Production will be the maximum in relation to the technology and capital available. One might say that the economic pie is large, as shown by the circle.

In Diagram 2 the present conditions are shown where there are all sorts of restrictions, here depicted by the broken arrows. Land is not freely available to those who would put it to best use and labour is not able to offer its services on a free and competitive market. As a result the total production of wealth is far below what it could be under ideal conditions. One might say that the economic pie is small.

In both the above cases the size of the pie has nothing to do with how it is cut up. That division is a separate subject for later discussion. The size of the economic pie or the total production of wealth in any nation or society can conveniently be depicted by the example of a sandbox model which will be shown in graph form.

### THE SANDBOX MODEL

Consider a large shallow box in which there is a certain amount of sand of which the quantity and distribution will vary according to a number of factors. The depth of sand at any point will be an indication of the net productivity and wellbeing of the people at that point. Six different general conditions will be shown relating to different basic types of society.

In the following diagrams the base line represents a cross-section of the land and the vertical axis or height above base line represents productivity or wealth of the local community.



Primitive Society  
Diagram 3



Developing Economy  
Diagram 4

In a primitive and undeveloped country where the population is small and land freely available, a man could make a living almost anywhere. The amount of land which he would use would depend on the quality and climate and the type of farming or production. This is shown in Diagram 3, where there is little contrast between best and worst.

But, as development takes place, so small pockets will grow faster than the rest. This growth will depend on the establishment of towns, markets, communication, transport and trade. This is depicted in Diagram 4.

In both cases there would normally be limited government, few regulations and little, if any, taxation.

The next stage would be land enclosure and the growth of industry, commerce, trade and capitalism. As market towns, trading and industrial centres, ports and capital cities start to grow, most of the wealth becomes concentrated in a few selected areas. At the same time, government begins to grow more rapidly, controls are increased and most favoured types of industry or individuals are given preferential treatment, subsidies or even monopolistic powers, joining the exclusive club at the expense of all others. However, if the heavy taxes imposed to maintain this top heavy structure are easily paid by the members of the club, they impose an unbearable burden on those on the least productive land.

Because much of the less productive land which could be used under the primitive and developing conditions is not able to produce sufficient to pay the taxes, it goes out of production. This is shown in Diagram 5. If the peaks are made too high, the floor of the box will be exposed in many areas, representing unproductive land. Even though the economy improves, represented by more sand being put into the box, these areas may still be uncovered. In practice, more and more marginal land goes out of production.

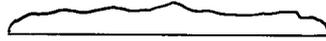
This creates such an unstable condition that the economy cannot withstand any severe shocks. Bump the sand box and see what happens! Shock the economy and there could be a repeat of Black Tuesday (1929). Create a political spark and there could be mass uprisings, a coup or even civil war! *Meanwhile, poverty grows with progress and the instability increases, becoming a threat to both rich and poor.*

Those who are forced into poverty and have no ready access to land, which their forefathers had in earlier times, perceive that there is lack of justice but have no way out of their predicament. They, therefore, become easy prey to those who spread the ideas and mythical advantages of communism; they are promised a larger slice of the economic pie. Completely and deliberately misguided, they tend to compare what they see as Diagram 5 with what they believe to be the promised conditions under communism, namely, as depicted in Diagram 6.

Those who are normally influenced by communist propaganda are those who suffer poverty and injustice - those who do not have access to land or only to sub-marginal land. In Diagram 5 this is represented by the dotted lines below the base line.



Present Capitalism  
Diagram 5



Theoretical Communism  
Diagram 6

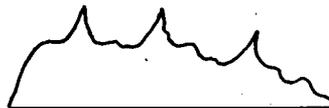
Communism, in theory, may be very attractive as it promises an even spread of the economic pie but, in practice, it robs men of the direct reward for their labour and destroys incentive to work at a high level of production and so the economic pie is drastically reduced in size. In time even the distribution of this smaller pie is no longer on an equal basis. Again referring to what has been seen of socialism or communism in Third World countries, these have more poverty and misery than ever was had under capitalism. Diagram 7 shows this typical condition for which men have fought and even died.

Although many have died fighting to achieve a communist or socialist form of government, once it has been achieved, others have died by violence because that form of government is not natural to the nature of man and requires strict measures to sustain it. Walls and fences are erected, not to keep others out of a Utopian state, but to keep people from escaping!

The productivity of former colonies has often been destroyed soon after independence as evidenced by empty shops and queues for scarce commodities.



Practical Socialism  
Diagram 7



Ideal or Third System  
Diagram 8

It would seem that there is little hope of finding a solution which might satisfy the needs and aspirations of most people, let alone all! Yet, in their time, men like Leo Tolstoy, Thomas Jefferson and even Sir Winston Churchill saw a light and envisaged a just and free society. There is even a possibility that Karl Marx had a dream of a free society where all men could pursue their own best interest without interference from state or individuals - a state where all men would have equal opportunity, with none favoured above all others. Although classical economists set out principles, these seem to have been forgotten or not clearly understood.

Sir Thomas More, in his concept of Utopia set out long before the industrial revolution, visualized a society in which all men would need only to work six hours a day to provide for all the needs of everyone. Does it not seem strange that, with all the modern scientific and technical development, even the advanced nations seem unable to solve the human problem of poverty? Why do some countries actually pay farmers not to produce while people starve in others?

All wealth is produced by the application of labour to or on land. Some have access to better land than others and their effort and capital produce more. Some nations have an abundance of good soil, good climate or mineral resources; some have little in the line of natural advantages. Yet it is often in the lands which are well-endowed where people live in poverty or starve to death while other nations with little natural advantage are able to support their population at a reasonably good level. The mineral wealth of Angola has paid for a Cuban army to perpetuate the internal strife and poverty. On the other hand, Japan, with no mineral resources, has a high standard of living.

Without doubt, there is still hope for all mankind to live a better life. The size of the economic pie is not something fixed

which man has to fight and war about. Clearly, if the unemployed were to have access to undeveloped land, with a little know-how and small capital, they should be able to add something to the size of the economic pie. There would be few men who, under the right conditions, would not be able to contribute to their families' support and thereby restore the dignity of the whole family; *and the dignity not only of the man but also of the whole family is of immense importance to the quality of the whole nation.*

Poverty can be looked at in several ways. The general standard of living and of human welfare will relate firstly to the size of the economic pie or the total wealth produced in a nation or economic region. It is necessary to consider the conditions which govern the size of the pie and take a critical look at those which limit its growth.

The economic wellbeing of sections of a community will depend on the distribution of the wealth that is produced or the size of the slice of the pie that it is permitted to enjoy.

In the past, in a primitive or developing community, the pie was small but all received some share; most were poor by modern standards but there was no real poverty under normal conditions. Along with progress, the pie has increased in size but so have certain of the slices which, taken by the few, have left little for the masses. Even by increasing the size of the pie considerably, there is still no guarantee that any of it will reach those who are starving.

It is thus first necessary to consider what it is that limits the size of the economic pie and how this can be corrected. Thereafter the reason must be sought for the uneven and sometimes unjust distribution of the pie and solutions found to bring about a better distribution of a larger pie without destroying the means of its production.

Ways must be found of bringing those able and willing into the production process. Naturally, the aged or physically disabled are entitled to a small share of the general wealth. The extent to which they are looked after, but not pampered, is a measure of both the compassion and the level of civilization of a nation or society.

THE SANDBOX MODEL DEPICTED IN  
DIAGRAM 8 ILLUSTRATES THE MAJOR  
THEME RUNNING THROUGH THIS BOOK -  
THE CONCEPT OF AN IMPROVED STANDARD  
OF LIVING FOR ALL!

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Notes:



## CHAPTER FIVE

# MARGINAL LAND AND UNPRODUCTIVE LABOUR

In Chapter 3 it was said that marginal or unproductive land and marginal labour are major causes of unemployment. This chapter will examine that statement in some detail but, because there is an overlap between the two, they will be treated together.

The influence of marginal land on Rent and unemployment was a well-known concept in the time of the classical economists. However, today's economists have tended to turn a blind eye to this concept, saying that it is outdated and no longer applicable. Leo Tolstoy, who had a good understanding of this, said that no man had ever disagreed with the ideas - they had simply not understood them. Unfortunately the same applies today much to the disadvantage of the poor.

Historically, universities have been endowed by wealthy landlords who have accumulated their wealth by the ownership of vast tracts of land, at the expense of those forced to work for them at barely living wages. Naturally these landlords have feared any ideas which might lead to a more equal distribution of the land. *It has thus been taboo to teach or even mention ways in which land could be better distributed under legal and democratic principles.* This is why the ideas are veiled in Adam Smith's work and have seldom been given fair study even in modern universities. South Africa is an important case in point where even municipal site value rating, in spite of its proven advantages, is at present under threat. This has also provided the seed-bed for communism in many countries and, in time, has

been the downfall of those who would greedily protect their land from use by less privileged people.

Where most of the land is owned by a small percentage of the population, the majority is denied access to one of the main factors of production, namely, land. The fact that it can only gain access on the often unreasonable terms of landlords who are totally unconcerned with its welfare is the major cause of poverty.

Look at any country in the world where there is abject poverty and starvation and you need ask only one question to establish its cause, namely, "Who owns the land?"

The whole of South America provides an excellent example of this poverty. At a SACCLA conference held in Pretoria in 1979, one of the speakers from South America, Dr Orlando da Costa, said that South America was the only totally Christian continent in the world, yet there were over 130 million people there living in abject poverty. This has subsequently been confirmed by many reports.

In South America, a small number of families has traditionally been the landlords and these, for the most part, are unconcerned about the poverty and misery of the masses so it is small wonder that there is a serious threat of communism taking over, and that large armies are necessary. Even the landlords are known to maintain their own armies to defend their continued "right" to unearned profit from the ownership of vast tracts of land.

Adam Smith had an understanding of land ownership, taxes and unemployment which far surpassed that of most modern economists. However, Smith was dependent on landlords and universities for his livelihood and for the publishing of his book "The Wealth of Nations" (1776). Small wonder that many readers read right past without understanding what he really had to say about taxation.

The principles set out by Adam Smith and taken up by others, such as Ricardo and Sir Winston Churchill, have been studied by several schools of economics and are still as valid today as they ever were, if slightly modified to suit changing circumstances and economic development. They are not really difficult to understand unless one has been corrupted by vested interests, or the type of ridiculous economic theory which allows men to say in all sincerity that unemployment is inevitable! This can be proved to be not only an inaccurate assumption but utterly ridiculous.

So let us now examine these major causes of the misery of unemployment.

### MARGINAL LAND

Throughout this book the use of the word "Rent", spelt with a capital "R", refers to the annual Rent on land only, excluding buildings or capital improvements.

Ricardo's law of Rent states:-

*"The Rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use".*

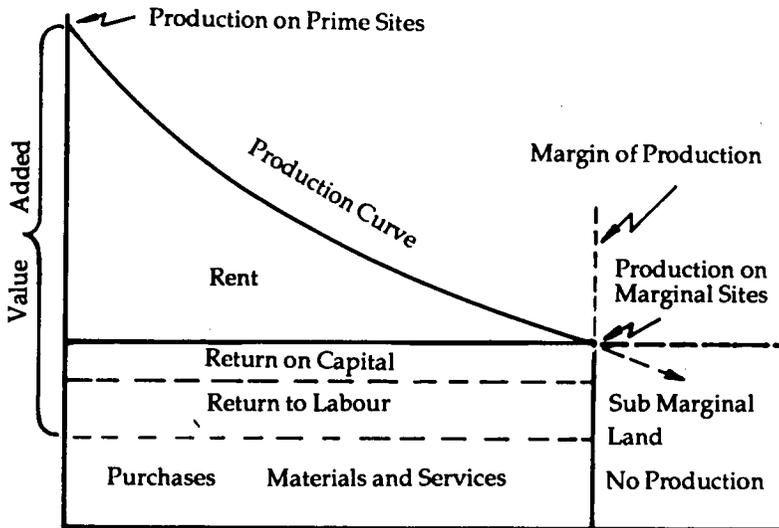
This concept of Rent can be depicted by a simple diagram. Assuming equal application of capital, labour and skill on a cross-section of sites across a nation, it would be found that productivity could vary considerably. There would be relatively few prime sites compared to intermediate sites and a large proportion of sites would be close to or beyond the margin of production. By plotting a graph of the potential productivity of all land, a curve will be obtained which will look something like that in the diagram. This can be regarded as a production curve.

When the costs of production (everything bought, i.e., stores, materials and services) are taken away from the sales

value of each concern, the remainder is the Value Added for that concern. In its simplest form, wages and return on capital are paid out of Value Added, the remainder being Rent, the largest variable between prime sites and marginal sites.

Note: Rent differs from Value Added in that Value Added includes not only Rent but also wages and interest.

These are shown in Diagram 9.



Production Curve and Rent

Diagram 9.

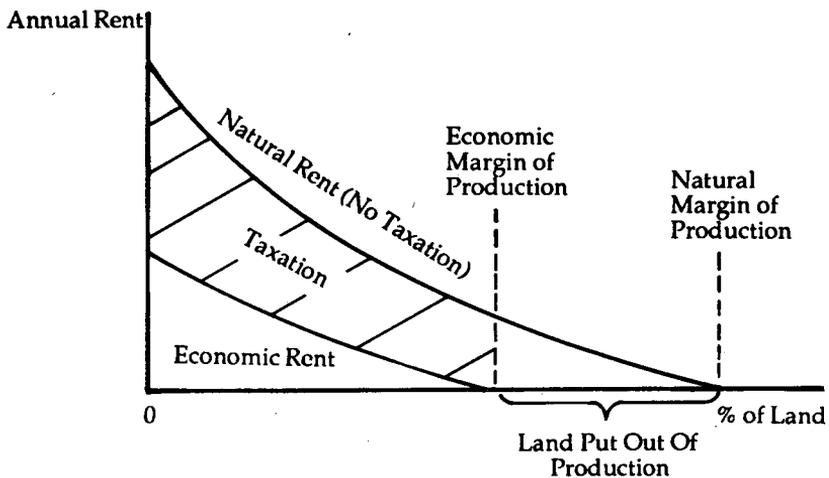
The line that separates Rent from the other two factors of Value Added will now be considered as the Rent Base Line, and the production curve now becomes the Natural Rent Curve. This natural Rent Curve cuts the Rent Base Line at the least productive sites in use which are known as marginal land.

Ricardo's definition makes no provision for the presence or absence of taxation on the value of the produce, nor on Rent.

In modern, rapidly changing and complex economies it becomes necessary to introduce the additional concept of Natural Rent as opposed to Economic Rent. These have been defined as follows :-

**Natural Rent** is the highest consistent annual payment obtainable for the use of land, excluding improvements, provided there are no taxes of any kind.

**Economic Rent** is the highest consistent annual payment obtainable for the use of land, excluding improvements, under the prevailing conditions of taxation.



Natural and Economic Rent

Diagram 10

Economic Rent is Natural Rent reduced by direct or indirect taxes on production or wages and is increased by most forms of grants or subsidies.

Although it will not be found in most standard economics textbooks, the concept depicted in Diagram 10 explains, in modern context, ideas which were clearly understood by classical economists, and this concept is essential to our understanding of economics today.

As explained earlier, for this to be regarded as a Rent curve it is necessary to deduct the total cost of production including purchases and services, as well as wages and interest on capital, from the total production. In the absence of any taxes, this curve can be considered as a Natural Rent Curve. Almost all taxes, of whatever form, come out of the area under this curve.

If taxes could be related directly to Rental value only, they would be related to the ability to pay and therefore would cause no unemployment, no hardship and no poverty; whereas taxes on wages, on production or on sales quite predictably cause unemployment and are the basis of most of our modern economic and social ills.

The nature of taxes applicable from time to time would determine the shape and position of the Economic Rent Curve in relation to the Natural Rent Curve as shown in Diagram 10. In the absence of any taxes the two curves should coincide. Taxes lower the relative position of the Economic Rent Curve causing harm to the economy.

Unfortunately, most modern taxes not only impinge on prime land, namely the left and centre of the curve which is high above the base line, but have their greatest impact near and at the margin of production, the right hand portion of the curve.

When the total taxation - direct, indirect and secondary - is larger than the Natural Rent on any land or enterprise thereon, that production unit starts drawing on capital and must, sooner or later, cease to exist so that those who were employed become unemployed. This is a basic law of economics and the price of ignoring it is very high in terms of human misery. The land which is put out of production is known economically as submarginal land, rendered submarginal by bad taxation.

### THE MAN-MADE WORLD

Land and labour are the basic factors of production. The quality of the man-made world, the society that people live in at any time or place, will depend largely on conditions at their point of interaction and these will include a wide range of factors such as the availability of capital and the standard of education, skills and technology.

The free interaction of land and labour will be hampered by restrictive laws and regulations governing both land and labour, by taxes and compulsory payments and last, but by no means least, the attitude of people who are governed by theories, customs and beliefs.

Usable land is in limited supply and in some places it is even dwindling. In addition, readily available reserves of raw materials, which are economically a part of land, are gradually becoming exhausted. There is also the growing infrastructure of roads, railway lines and dams, to mention but a few, including urban sprawl, which spread their tentacles into the most productive of agricultural and industrial land.

Labour on the other hand tends to increase both in supply and quality whilst it competes for an apparently limited number of jobs or for land on which to produce and exercise its talents.

This competition may be summarized as follows :-

1. Competing for land of which the viable supply is artificially reduced by:
  - taxation on the product of marginal land
  - speculation on prime land, thereby withholding it from use
2. Competing for capital of which the supply is limited by:
  - restrictions and taxes on production
  - diversion of large sums for speculation by those desiring unearned profit
3. Competing with labour-saving devices which tend to replace the less educated and unskilled sector of labour, but by no means limited to them.

The latter aspect is largely influenced by taxation and compulsory payments resulting in an increasing percentage of labour becoming marginal.

Labour may also be restricted in its movement by work permits, pass laws, immigration laws, language barriers and religious or race prejudices.

### MARGINAL LABOUR

Marginal labour may be defined as *all labour which has a productive capacity and value which is close to or less than the total cost of employing such labour.*

Any increase in taxation or other costs relating to employing such labour could render its employment uneconomical and increase the number of unemployed. It may be difficult to distinguish between marginal land and marginal labour in many cases but marginal labour is definitely not limited to marginal land.

Taxation plays a major part in creating unnecessary marginal labour both on marginal and on prime land. This taxation,

which includes income tax and PAYE, General Sales Tax and Value Added Tax, increases the cost of labour to the point where it is more economical to replace men and women with machines. Where are the trench diggers with their wonderful chanting, the street sweepers, dish washers and even waitresses of yesteryear?

There are also other reasons for the existence of marginal labour which, although these may play a lesser role, can become significant when do-gooders have their way with little understanding of the consequences of their enthusiastic efforts. Minimum wage is a typical example. Many people, through lack of education, training and understanding or through physical disability, may not be worth a minimum wage and are therefore condemned to perpetual unemployment, whereas they could be occupied and perhaps housed and fed at a lower wage and still play an active part in the community, thereby retaining their dignity and self-respect.

The concept of Marginal Labour is not to be found in the works of the classical economists. It may not be an entirely new phenomenon but simply brought into focus because of the increase in taxation, levies, insurance and other employment related costs which load the cost of labour. In the absence of these additional costs, it could well have been hidden in the concept of marginal land.

A typical example which describes the condition for creating Marginal Labour was given to me by a Belgian worker in 1982.

He said: "*For my employer to give me an extra thousand francs would cost him approximately 1700 francs. Allowing for taxes, the purchasing power of my 1000 francs would be about 500*". In practical terms this means that to give a worker an effective wage of 500 units would cost approximately 1700. In effect there are 1200 units saying "replace the worker with a machine!" Who then supports the worker and who restores his dignity ?

When living within the system becomes impossible, ways may be found to circumvent it. If the unemployed are supported by social welfare then they are inclined to become casual labour and look for cash jobs in order to avoid the burden of taxation. This tendency increases where there is a high level of social welfare as in most of Europe and USA. The system not only transfers the burden on to the remaining taxpayers but also promotes loss of dignity, dishonesty and eventually immorality.

Where there is no social welfare, as in Southern Africa, the unemployed become unemployable and a burden to their relatives and friends who can ill afford the extra load. In time this must become a threat to the whole society.

#### A POSSIBLE SOLUTION

By a change in the method of collecting revenue to a system based on the intrinsic value of land, marginal land and marginal labour would become exempt from tax. Simultaneously, as a direct result of this new revenue system, land would become available at relatively low annual cost, and therefore attract and absorb much of the unemployed labour with very little capital outlay.

There has been much talk about the high cost of providing employment both for the present unemployed and those entering the labour market every year. (A figure of R30 000 to R50 000 per worker has frequently been mentioned.) However, were production and labour freed from taxes, and land freed from speculation by collecting the natural Rent, the capacity for small business and self-employment would be limitless. Together with a reduction in controls and licences, most of the unemployed would soon find honest means of support without being a burden to either relatives or society.

Returning to Diagram 10, it is obvious that all present taxation comes from below the Natural Rent Curve. By a change in the system of taxation, the Economic Rent Curve is lowered

slightly more at the left, or on prime land which can well afford the Rent, whilst being raised at the right. This allows the curve to meet the base line at the natural margin of production and will not directly cause any unemployment.

The method whereby this can be done is, in fact, very simple, far simpler than the modern complex systems of taxation which bear little resemblance to Adam Smith's canons of taxation. All that is necessary is for society to collect a fair portion of the Natural Rent of land and not on any improvements nor on capital investment. There would be no need for taxes on production nor on wages, neither GST / VAT nor PAYE.

The new curve is shown in Diagram 11 as a percentage of the Natural Rent. The actual position would depend upon the percentage collected. It is estimated that this should not exceed 80%, always leaving at least 20% for the registered owner of the land. Beyond the natural margin of production there would be no Rent and no taxation of any kind.

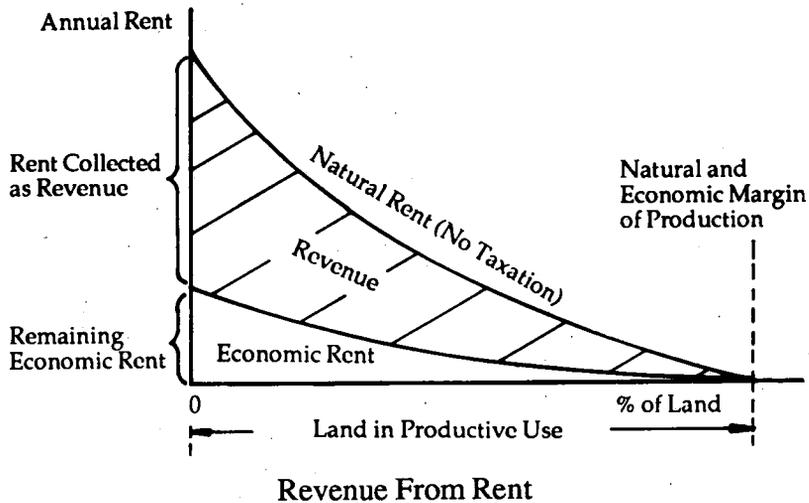


Diagram 11.

When Rent only is collected, with production left untaxed, much of the presently idle land and most of the unemployed would come back into the productive economy. This would rapidly increase the Gross Domestic Product and the amount of Natural Rent available both for collection by the community and left in the hands of those who operate the land.

Without realising it, most of those who own land are already paying a large portion of the Rent on land but not as a source of government revenue. In addition, they are also paying crippling taxes. If one buys a house or land, the value of the land is, in fact, capitalized rent for which one borrows money and on which one pays interest. The land value portion of the loan is the last part of the loan paid off and is often a burden for life - this in addition to all the taxes.

However, under the suggested system, those who put land to full productive use would most likely be better off in direct economic terms. Most home-owners and farmers would in time pay less in Rental revenue than they presently pay in taxes.

So where does the revenue come from?

### THE INCREASED SOURCE OF REVENUE

There are several sources for increased revenue which collectively would more than compensate for removing all taxes from the margin of production.

Diagram 10 shows the present system of taxation and Diagram 11 shows the proposed system.

1. All present taxes come from the area below the Natural Rent Curve in Diagram 10. When these taxes are removed the available Rent is restored from that which lies below the Economic Rent Curve to that which lies below the Natural Rent Curve. This represents a large increase in available Rent.

2. In Diagram 10 the Economic Rent Curve meets the base line at the Economic margin of production. All land beyond this point is unproductive and cannot pay any taxes under the present system and therefore a large amount of land is made unproductive. However, with the proposed change in taxation, this land would be brought back into production and contribute a portion of the Rent which it could not otherwise do.
3. Much good, and even prime land, is withheld from production under the present system, sometimes because the owner has more than he requires or is able to utilize fully and sometimes deliberately as a form of speculation. Either way, this land is unproductive but, under the new system, would become too expensive to keep. The Rent would be payable whether the land was used or not, provided it had a Rental value in a free market. This land would soon be brought into production and not only contribute to the Gross Domestic Product but also directly in Rent as a source of revenue.
4. Under the proposed new system, the increased economic growth and standard of living of all the people would create a demand for prime land on which the most efficient entrepreneurs would, by their efforts, make fortunes not possible under the present system. This would add still further to the Rent available for collection.
5. The new system would also encourage the sick, lame and lazy to occupy less valuable land which, having a low Rental value, if any at all, would make it easy for them to live reasonably on limited resources, and with no other taxes payable! Even those normally dependant on charity might become partly self-supporting.

The simple change from the present forms of taxation to collecting a major portion of the Rent would be sufficient to reduce or almost eliminate the present high level of unemployment because existing marginal land and marginal labour would be brought back into the productive economy.

### ADDITIONAL ADVANTAGES TO THE ECONOMY

There are two further significant advantages to the economy and the nation as a whole:

1. Accountancy and auditing would no longer need to be a statutory requirement for taxation purpose. Each company would keep accounts only for their own requirements or shareholder information.

The energy, effort and skill presently expended in auditing and taxation would be drawn towards production and distribution of wealth, with advantages for both the individual and the economy.

2. Tax avoidance or evasion would become far more difficult and less rewarding. Land cannot be hidden. Economic rent would be governed by a free market where there will be little room for manipulation and each will pay according to the advantages enjoyed arising from society, land usage, quality and position relative to employment and markets. Those who enjoy the least benefit from land usage will pay little if any rent or tax.

IT IS HARD TO IMAGINE THE VAST IMPROVEMENT SO SMALL A CHANGE COULD MAKE TO THE WHOLE OF SOCIETY, EVEN TO THOSE WHO WOULD APPEAR TO PAY A HIGH PRICE IN LOSS OF UNEARNED PROFITS, BUT WHO WOULD GAIN IN SIDE EFFECTS A SECURITY AND QUALITY OF LIFE BEYOND THEIR WILDEST DREAMS.

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Notes:



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## CHAPTER SIX

# DID COMMUNISM GO WRONG?

Most of the real thinkers of the last few centuries were men who had observed conditions in the world around them and were deeply concerned about the poverty and misery which was so obvious. They all understood that poverty is not the natural state of man and that it arises out of greed and ignorant thinking. It stems from the fact that some men want everything for themselves irrespective of the effect that it may have on the others.

Numerous theories have been advanced to distribute the natural wealth more equitably. In the long run most of these come down to taking from the rich to give to the poor but without due regard for, or understanding of, the ultimate results. In practice it has resulted in the destruction of the wealth-producing machine or organization. *Often it has been the forceful removal of land owners from their land, by violent means where necessary. In many cases it has led to the complete destruction of the most educated and aristocratic classes. These are often the ones most needed to help build the economy necessary to achieve the goal of lifting people out of their poverty.*

Being uncertain of themselves and their power, the revolutionary rulers begin to fear the thinkers and educated people for these could present a threat to their continued power and must therefore be discredited and eventually disposed of; often the leaders of industry and commerce, the producers and distributors of wealth. In time the poverty becomes worse than it was before. Meanwhile, turning dreams into chaos has cost the lives of many, first in trying to destroy the previous regime, and then to secure the new one.

In the process of trying to better their conditions, the masses are invariably regarded as expendable pawns in the game and struggle for power. Many lives later, the masses end up in worse conditions than before. *Ideologically, the people have been given freedom, a hollow freedom where they are free to die or starve.*

When revolution starts and military or guerilla leaders without an understanding of law and government take control, then it becomes necessary for them to adopt severe measures in order to stay in power. Gradually the ultimate objective changes from the welfare of the people to the desire for power itself, so that, under various forms and guises, the new leaders become dictators and tyrants. It is not necessary to look very far to find examples throughout the ages and particularly in recent years.

Karl Marx as a student started studying law but soon switched to philosophy, a highly political subject in Prussia at a time when that country suffered under a very severe system of government and citizens were not allowed to participate in public affairs. Marx soon joined a radical group of leftist professors and students whose views strongly opposed the severe system under which Prussia was governed and in which he felt that there was no way to redress the injustice and harsh conditions under which the people lived. Were it not for this he may well have directed his efforts in a different direction. Who knows what a valuable contribution he may have made to the improvement of conditions for all men under a democratic society? *But it is well known that conditions often shape the man and his ideas.*

It was during the period of the 1848 German revolution that Marx edited a publication which prompted him as an instigator for radical democratic reform. Marx's essays written between 1842 and 1847 spelled out the philosophical foundations of his radicalism and expressed his bitter view that the economic forces in Europe were oppressing mankind and that it was

necessary to take political action. This culminated in Marx and Engels jointly writing the Manifesto of the Communist Party. They foresaw conflict between the ruling and the working classes which would result in the overthrow of the ruling class. There could be no other way as the ruling class was not open to reason nor was it prepared to relinquish any of its economic power. In most countries it also controlled most of the land and the working class was denied access to that which was essential to its very survival and without which it had no power to bargain its way out of the oppressive wage structure.

Frequently in history the churches have been seen as upholders of the ruling class, so it is no wonder that revolutionaries have formed the view that religion is the enemy of the working class. It is necessary only to look at most of South America in support of that opinion. In a continent which is entirely Christian there are over 130- million people living in abject poverty. Yet it is only in recent years that Catholic church ministers have started taking a stand against the injustice of a handful of men controlling most of the land. Is it not true that revolution has been prevented only by powerful and ruthless Government control, often assisted by private armies?

The United Nations together with its Charter of Human Rights has not been able to eradicate the oppression and poverty in South America. It is indeed amazing that there have not been widespread revolution and communist takeovers throughout the continent. If these are the conditions today in this supposedly enlightened age, is it any wonder that Marxist philosophy turned against both capitalism and religion? Is it any wonder that the system today is still producing radicals with similar views?

Understanding how a situation has arisen is not to condone what arises out of it. Communism is understandable as a system which has an immense appeal to those oppressed by the present system, in which a distorted form of capitalism

allows those who own the land to deny the masses access to it and then depress wages to the least that desperate men are willing to accept. But communism is not justified in deceiving the masses into believing that it can provide them with anything better. It must be obvious to anyone prepared to look that communism has been an even greater failure than capitalism at its worst.

Regarding religion, the advocates of communism should look at what the intent is before condemning it because of its misguided practice. There are numerous references in the Bible to the fact that the earth is the Lord's, it shall not be sold for ever; the poor shall not be oppressed. Most of these regulations appear in the Old Testament which is common to both Christianity and Judaism.

Marx may have started out with a genuine concern for the plight of the poor and oppressed, but he fell into the same trap as the capitalists and revolutionaries. *He did not understand that wealth can be distributed without destroying the productive mechanism and that this distribution does not rely on robbing the producers of wealth.* He did not understand the finer points of land tenure and that the rent on land forms the only natural source of revenue to meet the needs of the state. He also missed the point that the collection of this rent on land by the state would at the same time correct most of the other ills which seemed to disturb him and which goaded him into writing both the Communist Manifesto and his famous book, "Capital".

Had Karl Marx understood Adam Smith's "Wealth of Nations" and Henry George's "Progress and Poverty", he may have put out a different sound, a more moderate approach with more humane results. It is high time that the communists of today took a realistic look at the results of Marx's work and modified their policy to one that would truly assist in relieving the stress of the masses. It would also be a policy which could more readily come to terms with capitalism and help to bring

about meaningful change without destruction. Time will tell whether Perestroika and Glasnost are a genuine move in the right direction. However, as the West has not yet fully come to terms with real free enterprise, it is unlikely that the Soviets will bring about true freedom of the individual.

Whilst it must be accepted that Karl Marx did go wrong in his interpretation of the problem and answer, it is unlikely that he could have foreseen the monster that he spawned. Could the man, who started with concern for the poverty and misery which he saw, have willingly created a system which has brought about even greater misery, starvation and death by violence?

Considering the tens of millions of deaths and the violence, fear, poverty and misery which have resulted since his own death, it would have been better for the world if Marx had never lived and communism had not been born.

In Eastern Europe and Communist China hundreds of thousands of people have been demonstrating against the poverty and tyranny of communism. Having tired of communism, the people now want democracy and a free market. Will this provide a lasting solution?

IN MANY PARTS OF THE WORLD  
CAPITALISM AND DEMOCRACY ARE  
CREATING THE VERY CONDITIONS WHICH  
BRED MARXISM AND THE GREEDY WEST  
SEEMS UNCONCERNED ABOUT THE  
LEGACY WHICH IT IS LEAVING TO FUTURE  
GENERATIONS.



## CHAPTER SEVEN

# DID CAPITALISM GO WRONG?

Modern capitalism is frequently the seedbed of communism!

True capitalism should be the best economic system known to modern man. It should be an integral part of democracy and create the opportunity for everyone to live at a reasonable standard. In theory, if pure capitalism existed, there should be no poverty and no enforced unemployment. Nowhere can this be found to be the case at present because nowhere is there pure capitalism.

The various shades of capitalism which have existed over the last two hundred years have been the direct cause of the growth of communism. Karl Marx, and the numerous others who have formulated the theory and practice of communism, were only too aware of the poverty which existed, and can still be found, in every capitalist society. There is little wonder that compassionate and passionate men have been driven to action, by whatever means, in an attempt to improve the lot of those depressed by pseudo-capitalism. But do not be lulled into thinking that this is something of the past; it is very much a part of our modern society. Unless the West wakes up to the magnitude of the present problem, subversion will increase and, in tandem, law and order and defence budgets will increase, diverting moneys better spent on improving the quality of life. Crime, violence and terrorism could reach unprecedented proportions.

True capitalism should exist with a minimum of government interference, and rules and regulations for controlling the economy should be almost unnecessary. For the most part, regulations, controls and licences exist only to give some in-

dividuals or sector of the community an unfair advantage at the general expense. In their extreme, they become monopolies which, if seen as a large slice of a small pie, are nothing less than a crime against humanity. Under certain conditions these monopolies are a cause of unemployment. Unemployment can lead to poverty and poverty can lead to ill health and unhygienic conditions, increasing the chance of death by disease.

Capitalism is well recognized as a system which gives the best incentive to the individual to improve his capabilities, both to his own and society's best advantage. Although there is no doubt about this, in most countries it is largely negated by numerous laws and controls which deprive the average citizen of free opportunity. In theory, anyone can start a business or some form of private enterprise, but, in practice, this is far from the truth. Any small businessman or entrepreneur with limited capital will know how difficult it is to get the necessary licences and approval, and then to find suitable premises or land for the operation. The problem is a combination of bureaucracy and economics. Government will give a thousand unfounded reasons why it is necessary to have the large and complex system of controls to protect individuals, farmers, industry, business and any other interest group you care to name.

The complexity of controls at times appears to be necessary and logical but, for the most part, it is based on a fallacy; this fallacy lies at the very root of a problem which exists in all present capitalist societies, and which problem manifests itself in the inability to provide full employment and a reasonable standard of living for all who are able and willing to work, as well as to provide for all of those who are unable to work. It also manifests in poverty, slums and squatters' camps, poor education and shortage of skills and trades, in sickness and malnutrition, as witnessed by the high incidence of T.B. It also manifests in the nation's wealth falling into fewer and fewer hands while an increasing proportion of the population suffers

hardship. It manifests in capitalism becoming the seedbed for violence. If capitalist societies continue to turn a blind eye to the fact that a problem even exists, they will in time, and rightly so, be overthrown.

What is loosely described as capitalism today is a far cry from capitalism in its true form. *True capitalism would so improve the standard of living of all through economic progress that the need for bureaucracy and government controls would be greatly reduced.* Government would revert to its true function of keeping the peace and defending the nation and very little else. Many of those in sheltered but unsatisfying government employment would find far more rewarding occupations in the resultant thriving economy. More of the workforce would be directly involved in production and have the satisfaction of actually producing wealth for the benefit of the community as a whole.

The curtailment of government would also result in a reduction in taxes, particularly on the earnings of the lower income sections on whom the tax burden is the most onerous and who yet receive the least advantage from the system. This excludes any consideration of those who, through age, infirmity or sickness, are unable to provide for themselves, and quite rightly should be assisted by the state.

The assumption has been made that there is a problem which is capable of being solved. Apart from the effects of this problem, as briefly mentioned, it will take little imagination for the average reader to extend the range quite considerably within his own experience. But what is the cause of this assumed problem and how can it be corrected? How would it be possible to establish a better form of capitalism which, in itself, would not promote communism or even socialism?

*The root of the capitalist problem lies in land and the answer to that problem lies in land. Why land?*

In feudal times a landlord paid tribute to the king according to the size of his domain. He also provided soldiers in times of war or civil unrest. When farms were first granted to early white settlers in the Transvaal, and many other places, there was a duty to provide soldiers in times of threat; one man, one horse and one rifle was the standing rule in exchange for one standard size farm. At that time, since towns, markets and infrastructure had not yet started to develop and one parcel of land bore little extra advantage over another, most farms were of a similar value.

The discovery of diamonds and gold, followed by other minerals, influenced the growth of towns, markets, the infrastructure and the economy as a whole. Though the underlying impetus for growth may differ slightly from town to town and from nation to nation, all growth is due to the natural advantage and collective efforts existing in any time and place. The total benefit must rightly be the property of the nation as a whole. So, by what natural right is it apportioned to some citizens and not to others? Who has the right to determine how much land, and of what quality, each should receive? Why should some be deprived of access to land, or limited to the most useless and unproductive land? Is this the role of government? If so, by what natural or imputed right?

Does government have the right to divide the land up into major parcels and selectively distribute them to the chosen few? Does government have a natural right to permit, facilitate and even grant monopolies to powerful organizations in a free enterprise system? Is not the government the protector of the nation's birthright, and is it not answerable not only to those citizens who voted it into power but also to those who voted for an opposition so essential to good government, and to those who did not vote, or had no vote?

Most nations both in the First World and Third World have allowed large tracts of land to be monopolised by a relatively

small portion of the population. Astonishing statistics have been quoted on land ownership worldwide. Susan George, working on United Nations' statistics, quotes the following: "A mere 2,5 percent of landowners with holdings of more than 100 hectares control nearly three quarters of all the land in the world - with the top 0,23 percent controlling over half."

In Latin America, over a third of the rural population must make do with just one percent of the cropland; in Africa, three quarters of the people have access to not quite four percent of the land. Is there any wonder that both Latin America and Africa are fair game for communism?

Where powerful families have gained large tracts of land by force and have continued to hold on to the land under government protection, is it reasonable to call upon those who, as a direct result, are deprived of land to take up arms in order to protect the unreasonable ownership of the landlords? Is it reasonable to call on those deprived of the wealth which is generated by land ownership to pay taxes on their hard earned wages whilst the landlords pocket large unearned profits arising out of land ownership, protected by the poor?

There can be no doubt that the landlords have a duty to the community and the nation in relation to the benefit they enjoy, which those deprived of land most definitely do not. But how can this indebtedness of landlords and those who own tenure to land be justly determined? How can those who benefit most be made to pay their fair share or be enticed to relinquish a portion of the pie?

*The solution lies in a revolution - of a different kind; a new value system, at the heart of which is land!*

As discussed throughout this book, land tenure and taxation and their exclusive combination are the magical ingredients of the formula to bring capitalism back to health. But what would this entail?

Some of the prescriptions would be:

- Tracts of surplus land, presently withheld from the market for longterm appreciation, would need to be willingly made available at realistic prices affordable to the average man - but only to buyers intending to put them to full productive use.
- Expropriation of land, as practised in communist societies, would not be countenanced, nor would the bureaucracy be allowed to play a part.
- Every man would be entitled to hold registered tenure to land and all its improvements provided that he, in turn, met his obligations to society and the state. He would be free to decide which land he wished to hold and work and which he wished to dispose of under free market conditions.
- Every man would be free to buy and sell land at normal market prices and register transfer at a nominal fee. One of the main purposes of government is to maintain a register of land tenure to defend ownership. That right of ownership would be defended through the law courts and law enforcement departments. In times of war it would extend to the mobilisation of armed forces to defend the nation's collective rights. In times of peace it might also extend, where necessary, to immigration control to protect the nation from passive invasion. (The observer only has to walk the streets of London and many other cities to see that much of Europe has been silently invaded without so much as raising an arm, let alone an army in defence. As influx controls are removed under the present system, there must be an influx of people.)

With the improved conditions enticing foreigners, passive invasion might become an immediate problem for the nations first adopting true capitalism but this would be a temporary phenomenon as other nations, seeing the advantages, would follow suit.

All who owned tenure to land would enjoy certain benefits bestowed upon them by society to a greater or lesser degree according to the size, quality and position of the land. These benefits would also vary according to the total infrastructure, size and position of markets and the presence or lack of restrictions of usage. A combination of these factors and the quality and skills of the people and labour that a given society attracted would determine the affluence of that society and the quality of life of the individual. For all these benefits bestowed on the individual members of a society, they, in turn, would have a duty to that society. By 'that society' is intended both the local community and the nation which guarantees the necessary security for the economic organism to exist and grow.

**ALL BENEFITS WOULD BE DETERMINED IN A FREE MARKET AND NOT BY A TRIBE OF BUREAUCRATIC ASSESSORS. IS THIS SOMETHING NEW?**



## CHAPTER EIGHT

# DOES THE FREE MARKET FALL SHORT?

The concept of a free market is essential to the establishment of conditions whereby all men will be given an equal opportunity to exercise their talents to the full. There can be few conditions which are more destructive to the production of wealth than a large variety of bureaucratic controls and restrictive measures and licences.

Wealth can be produced only by the application of labour on or to land to meet the reasonable needs and desires of mankind. By definition wealth is that which is produced by the application of labour on land, with or without the assistance of capital. Anything which does not meet this definition is not wealth. Money is but a token of wealth and a very essential medium of exchange without which our modern economy could not function. But money is not in itself wealth. Share scrip similarly is not wealth but a claim on wealth. Double or halve the number of bank notes or shares and it will not automatically double or halve the amount of wealth in any country.

Karl Marx saw money as one of the major causes of the gap between the wealthy and the poor masses. But, in spite of his criticism of capitalism and money, he was unable to provide a workable substitute for money. Nor has any communist state ever been able to compete with a free market economy in providing for the needs of its people in spite of complete dictatorial powers.

The wealth of a nation is the total of the wealth available within that nation at any time. It is the total of all wealth

produced or acquired less the wealth consumed or destroyed. If the wealth produced is more than the wealth consumed over any period of time then that nation will become more wealthy. But this depends largely on the conditions which exist at the point of interaction of labour and land. This was discussed and shown graphically in Diagrams 1 and 2 in Chapter Four.

For some amazing and illogical reason people in power tend to believe that they are more competent to direct the lives and employment of all the people than the very people themselves who have a more direct interest in their own welfare. For the same inexplicable reason bureaucrats sitting in offices far removed from the scene of action think that they have better answers to local problems than the people directly concerned. But how many of them are truly concerned with the interest of the people who are not in any position to contribute to the official's remuneration, except by illegal methods, or to their status and future advancement? Exception proving the rule! Are most not more concerned with the size of their office carpet or their official car than with a thousand unemployed or starving people a hundred kilometres away?

The more powerful a head of government is the less likely is he to be directly aware or concerned about the hidden effects of laws and controls. Absolute dictators can be by far the worst in this regard, and any system which allows this to happen is to be avoided like the plague. Communism and one party states provide a dreadful history of human suffering and premature death. What do they know about the sanctity of life? A conservative estimate for the number of violent deaths caused by communism during this century stands at one hundred million. So much for communism providing any improvement over capitalism for the average citizen!

*Ideology and nationalism can also be highly dangerous and raise men to power who are concerned only with the exercise of power or the interests of a limited sector of the community.*

This century provides many examples such as Hitler, Amin, the Ayatollah Khomeini and, to a lesser extent, Dr. Verwoerd. All of them have brought in laws and controls which have been destructive to the longterm economy, controls which have required the exercise of force to make them effective. All have diverted a large portion of the country's wealth into law enforcement and tended to produce a violent and intimidated society. Restrictions have prevented the free movement of labour and the availability of land to labour. All have caused the social and economic histories of their regimes to end in tragedy.

War and civil unrest must of necessity reduce the wealth of a nation but may often result in an increase in the useful production of future wealth because of the relaxation of bureaucratic and other restrictive controls. At times a nation is able to start almost with a clean slate and the economy is able to take off at an unprecedented rate. In spite of the destruction of national wealth in both Germany and Japan during the Second World War they have both built up their wealth more rapidly than most of the victors who did not benefit from the removal of restrictive rules and trade union regulations.

The rapid early growth of the new world in places like USA, Canada, Australia and South Africa was directly due to the availability of land and absence of restrictive laws, regulations and licences. The early settlers came mainly from the old countries where nearly all the land was controlled by powerful landlords and most regulations were designed around protecting the interests of the powerful with little concern for the masses. During the eighteenth and early nineteenth centuries thousands of highlanders were thrown off the land of their birth in Scotland and many took ship to the new world. At about the same time the Land Enclosure Acts, whereby the commons were enclosed by landlords, were well under way in England. This resulted in a large movement of people to the

towns and cities. The Enclosures have been described as a major disaster to the village community. In Ireland the control of land has been so hard on the people that for the last two hundred years approximately one in every two people born there has left the country in search of a better life.

Most emigrants left the country of their birth because of conditions that were unbearable to them. Their new-found freedom gave them a large incentive to produce to the best of their ability and develop their inherent talents, leading to increased personal happiness.

It was not long before land in the new world was taken up by the more astute immigrants and gradually collected into larger and larger parcels so that today a small percentage of the population owns a large share of the land. In effect this means that a large portion of the population has no access to land except at unaffordable prices or rental. Meanwhile those who own the most productive land from a farming, manufacturing or business point of view, grow rich. Their wealth arises from the Rental value of land and not from any effort on their behalf, nor any contribution to the production of national wealth. With this unearned wealth the owners of land have an unfair advantage over those who would use land for the production of further wealth. These landlords who hold an excess of wealth or the tokens of wealth are in a favourable position to purchase more land; more land for speculative purpose. More land can be withheld from use in order to push up the market price by its scarcity. Those who already own valuable land are always in the best position to accumulate more. Those without any drift further and further away from ever being able to obtain tenure of land which is so necessary if they are to establish their economic independence.

This accumulation of land is the major cause of the widening gap between the haves and the have-nots. It is the major cause of extreme affluence and simultaneously abject poverty. It was

the cause of the development of Karl Marx's theories and the growth of communism. It will continue to promote the overthrow of capitalistic and democratic governments. That it must provide the seedbed for violence, terrorism and civil war is not only predictable but also inevitable.

Where are the free marketers who understand that they are only looking at half of the problem when they concentrate all their efforts on trying to deregulate, and refuse even to look at the total problem? Are they biased in favour of big business only and totally unconcerned with the welfare of the whole nation? Are they really sincere in what they have to say about the advantages of a free market or are they only trying to hoodwink the masses into assisting them to gain advantages for a very small and select group?

The question obviously is: Are the free marketers sincere but misguided or are they deliberately confidence tricksters? The latter is unlikely. This is a major issue which must be thrown into open discussion if the free market system and capitalism are to become an attractive alternative to the people of Eastern Europe who are now in the throes of freeing themselves from the communism which, for the past forty years, has denied them political and economic freedom.

**IN A TRUE FREE MARKET SYSTEM THERE WOULD  
BE EQUAL OPPORTUNITY FOR ALL TO EXERCISE  
THEIR SKILL AND TALENT, LIMITED ONLY BY  
THEIR WILL TO WORK. THERE IS STILL CHOICE,  
BUT MAYBE NOT FOR LONG!**



## CHAPTER NINE

# CHARTERS AND MANIFESTOS

The growth of modern capitalism and democracy has run parallel with a wide variety of Bills of Human Rights and Freedom Charters or Manifestos. Over the last two to three hundred years these have been seen as necessary in order to relieve some of the oppression which has arisen from the Land Enclosure system. While conditions have changed in time and place, the underlying problem has always been the extremes of wealth and poverty, privilege and disadvantage; there are the few who have access to land and the wealth which arises from that access while the masses are deprived of that economic advantage.

In the Bible, going right back to Leviticus 25.17, the direction was given: "Ye shall not therefore oppress one another", a directive not very well observed either by Jews or Christians. In both Leviticus 19.18 and Matthew 19.19 the commandment is given: "Thou shalt love thy neighbour as thyself". If this commandment was kept, could there be poverty, oppression and threat to life?

In ancient Eastern tradition, the Laws of Manu stressed the importance of justice in a nation. A few quotations should be of interest:

*"Where justice is destroyed by injustice, or truth by falsehood, while the judges look on, there they shall also be destroyed.*

*"Justice, being violated, destroys; justice, being preserved, preserves; therefore justice must not be violated, lest violated justice destroy us.*

*"The only friend who follows men even after death is justice; for everything else is lost at the same time when the body perishes.*

*"One quarter of the guilt of an unjust decision falls on him who committed the crime, one quarter on the false witness, one quarter on all the judges, one quarter on the king.*

*"But where he who is worthy of condemnation is condemned, the king is free from guilt, and the judges are saved from sin; the guilt falls on the perpetrator of the crime alone."*

The English Bill of Rights of 1689 was an attempt to protect the people from the whims of the king and listed the *"true, ancient, and indubitable rights and liberties of the people"*; it also limited the powers of the king in such things as taxation.

The French Bill of Rights of 1789 enshrined the revolutionary cry of: *"Liberty, Equality, Fraternity"*. This Declaration guaranteed freedom of religion, freedom of speech and of the press, and personal security. But how many lost their lives in the revolution which followed within a few years?

The United States adopted the ten amendments to the Constitution in 1791 and these became known as the Bill of Rights. These basically guarantee freedom of religion, speech, press, assembly, and the right to petition for a redress of grievances. It also stated that no one would be deprived of life, liberty or property without due process of law; nor private property taken for public use without just compensation.

The Universal Declaration of Human Rights was adopted by the United Nations' General Assembly in 1948. This consists of a Preamble which relates to freedom, justice and peace in the world and the dignity and worth of the human person, followed by the Declaration consisting of thirty Articles. As this is significant to the subject of this book, it is printed in full at the end of the book for ready reference. (See Appendix A.)

In the context of this book, there are several Articles in the Universal Declaration which are most significant, namely, 17, 23, 25, 29 and 30.

Article 17 states:

"(1) *Everyone has the right to own property alone as well as in association with others.*

"(2) *No one shall be arbitrarily deprived of his property.*"

This type of thinking is strongly entrenched throughout the Western World and the laws of most non-communist nations embrace and reinforce this concept. Free Market and Libertarian Charters also embody similar clauses and a large portion of William Blackstone's Commentaries on the Laws of England is devoted to property laws, covering all types of property from personal to immovable and land. Of particular interest is Blackstone's introductory remarks on the need for property rights without which no reasonable society could exist. As this work is not readily available to the general public, the first few pages are also reproduced at the end of the book. (See Appendix D.)

In the context of this book, the reader should be aware of the difference between property rights relating to goods and chattels, immovable property such as houses and, in a category all of its own, land. Failure to recognize this last distinction lies at the very core of most of the poverty and violence in the world.

The rigidity of property laws and the lack of any control or limit to the amount of land which individuals or entities are able to possess and grow rich on, forms the key point or fulcrum between Western and communist thinking and strife. Taken to its limit there is little difference between the condition where one man or a company controls all the land or, alternatively, controls all the people as slaves. This is the determining factor between wealth and poverty; this is the seedbed of Marxism, communism, freedom charters and revolution.

Many might say "*And rightly so!*" All of these have been conceived under Western type governments and similar or even more radical concepts or plots are undoubtedly being hatched right now. While there is poverty and economic injustice, this is inevitable.

Not one of the Bills of Human Rights or Charters has ever addressed the main cause of unemployment, poverty, human suffering, crime and premature death through hunger and violence.

Whilst Articles 23 to 25 of the Universal Declaration of Human Rights give a completely hollow promise of the right to work, leisure and standard of living, Article 17 gives others the legal opportunity to deprive the masses of any hope of ever attaining these rights.

Confiscation of the land is the first point in Karl Marx's Manifesto and the fourth point in the South African Freedom Charter. Confiscation of the land is fundamental to the constitutions of all communistic states. It will be useful to take a look at both Marx's Communist Manifesto and the Freedom Charter which is expressed by its authors as "*A Blueprint for a Democratic South Africa*". Both are reproduced here in Appendices B and C.

### THE COMMUNIST MANIFESTO (1848)

This is a short work of some forty pages which took Marx about six weeks to write and contains the essence of his later work. It starts with an attack on the bourgeoisie or what today would be considered as the capitalist class, and then presents the communists as friends of the working class. The Manifesto finally culminates with the ten points which form the heart of communism.

Marx recognised that poverty existed as a result of the power of the landlords and assumed that revolution was the only way of breaking that power:

*"We have seen ... that the first step in the revolution by the working class is to raise the proletariat to the position of the ruling class, to win the battle of democracy.*

*"The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the state, i.e., of the proletariat organized as the ruling class; and to increase the total of productive forces as rapidly as possible".*

What Marx neglected to mention was that some of the proletariat would become the new rulers and that although they might have more determination they were as likely to be less able. Again, a few would be better off at the expense of the majority.

Marx saw no solution to the problem other than to destroy the system but was he really justified in this assumption?

The first points in the Manifesto are:

1. *Abolition of property in land and application of all rents of land to public purposes.*
2. *A heavy progressive or graduated income tax.*
3. *Abolition of all rights of inheritance.*
4. *Confiscation of the property of all emigrants and rebels.*

At approximately the same time Henry George also saw the problem of poverty as being related to land ownership. His solution differed from that of Marx in that George proposed that:

1. Private ownership of land should be retained and only the Rent of land should be collected.
2. There should be no need for any other taxes.

3. Inheritance rights should be retained subject only to each owner paying the market determined Rent.
4. Emigrants should continue to pay the Rent or voluntarily dispose of the land.

Another significant point in the Communist Manifesto is:

7. *Extension of factories and instruments of production owned by the state; the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a common plan.*

From general reports it appears that this aim has not been achieved in any communist state in spite of complete bureaucratic power.

Henry George advocated free enterprise, free markets and free trade, the only stipulation being to collect the Rent on land.

The Communist Manifesto makes a demand on labour which even dictatorial powers could only partly achieve.

8. *Equal liability of all to labour. Establishment of industrial armies, especially for agriculture.*

Under the system proposed by George, there would be no need for coercion of labour. Reward would be directly related to skill and effort. Agriculture would be able to reward labour in keeping with productive ability and without government aid or interference.

Communist Manifesto:

9. *Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equitable distribution of the population over the country.*

Only guns and fences can stop people from voting with their feet. They will normally trek from economically submarginal areas in spite of government regulations and it becomes very expensive to try to stop this. However, if only land Rent were collected and there were no other taxes at the margin, then

much of the present submarginal land would again become productive and the tide of migration would be reversed by natural means.

Having seen and discussed the main points of the Communist Manifesto, let us now compare this with the Freedom Charter which is stated by its authors as being a blueprint for a democratic South Africa.

### THE FREEDOM CHARTER (1955)

This Charter was adopted at the Congress of the People held at Kliptown near Johannesburg on 26 June 1955. It consists of a preamble and ten clauses. Details have been left out except where applicable to this work. (Refer to Appendix C.)

*Preamble:*

*"....sparing nothing of our strength and courage, until the democratic changes here set out have been won.*

1. **THE PEOPLE SHALL GOVERN!**
2. **ALL NATIONAL GROUPS SHALL HAVE EQUAL RIGHTS!**
3. **THE PEOPLE SHALL SHARE IN THE COUNTRY'S WEALTH**
4. **THE LAND SHALL BE SHARED AMONG THOSE WHO WORK IT!**  
*Restriction of land ownership on a racial basis shall be ended, and all the land re-divided amongst those who work it, to banish famine and hunger;*  
*All shall have the right to occupy land wherever they choose;*

5. ALL SHALL BE EQUAL BEFORE THE LAW!

6. ALL SHALL ENJOY HUMAN RIGHTS!

7. THERE SHALL BE WORK AND SECURITY!

*The state shall recognise the right and duty of all to work, and to draw full unemployment benefits;*

*Men and women of all races shall receive equal pay for equal work;*

*There shall be a forty-hour working week, a national minimum wage, paid leave, and sick leave for all workers, and maternity leave on full pay for all working mothers;*

8. THE DOORS OF LEARNING AND CULTURE SHALL BE OPENED!

9. THERE SHALL BE HOUSES, SECURITY AND COMFORT!

*All people shall have the right to live where they choose, to be decently housed, and to bring up their families in comfort and security;*

*Unused housing space to be made available to the people;*

*Rent and prices shall be lowered, food plentiful and no one shall go hungry;*

*A preventive health scheme shall be run by the state;*

*Free medical care and hospitalisation shall be provided for all, with special care for mothers and young children;*

*Slums shall be demolished and new suburbs built where all shall have transport, roads, lighting, playing fields, creches and social centres;*

*The aged, the orphans, the disabled and the sick shall be cared for by the state;*

*Rest, leisure and recreation shall be the right of all;*

*Fenced locations and ghettos shall be abolished and laws which break up families shall be repealed.*

10. **THERE SHALL BE PEACE AND FRIENDSHIP!**

*Let all who love their people and their country now say, as we say here:*

**THESE FREEDOMS WE WILL FIGHT FOR,  
SIDE BY SIDE, THROUGHOUT OUR LIVES  
UNTIL WE HAVE WON OUR LIBERTY."**

On the surface these appear to be wonderful words and must have great appeal to the masses who have suffered under the present system. But could such changes possibly be obtained simply by the approval of this Charter?

A.N.C. supporters tend to blame the poverty in R.S.A. on apartheid and assume that, when the reins of government are handed over to them or to any black government, poverty for the masses will automatically come to an end. Is this truly realistic thinking? No government or government in waiting has yet shown proof that it grasps the real causes of poverty and so the cycle is perpetuated.

Two things appear to be necessary to improve the quality of life for all in South Africa. First and foremost, although there is a strong movement to remove all traces of apartheid, at the same time it is necessary to bring about changes in land tenure and taxation because, without this, poverty will continue.

The economic growth in Taiwan can be attributed largely to the fact that the land problem has been correctly approached. Whilst the peasants have become farmers in their own right, the previous landlords, who were compensated, have become industrialists.

Some years ago, an academic from Kenya, when asked about the changes in the conditions of the poor since independence, replied: "*The white men took their shoes off and black men put them on and nothing has really changed!*" They have been lucky! In most countries the poverty and misery has increased.

### A VOICE OF REASON

Throughout the ages the voice of reason has distilled the essence of a third system which, if correctly applied and contemporised in time and place, could provide a solution to most socio-economic problems. This voice of reason, drowned by the stentorian roar and commotion of self-interest, greed and ignorance, can still be faintly heard by those who would truly seek the golden cord of reason.

Ancient writings make many references to a different view on land tenure. The Old Testament lays down what some consider to be fundamental laws relating to land:

*"And the Lord spake unto Moses in Mount Sinai, saying:*

*'The land shall not be sold for ever: for the land is mine; for ye are strangers and sojourners with me. And in all the land of your possession ye shall grant a redemption for the land.*

*'But in the seventh year shall be a sabbath of rest unto the land, a sabbath for the Lord .... And thou shalt number seven sabbaths of years unto thee, seven times seven years .... And ye shall hallow the fiftieth year, and proclaim liberty throughout all the land unto all the inhabitants thereof; it shall be a jubilee unto you; and ye shall return every man unto his possessions, and ye shall return every man unto his family....*

*'In the year of this jubilee ye shall return every man unto his possession. And if thou sell aught unto thy neighbour, or buyest ought of thy neighbour's hand, ye shall not oppress one another.*

*'Ye shall therefore not oppress one another; but thou shalt fear thy God: for I am the Lord your God.*

*'Wherefor ye shall do my statutes, and keep my judgments, and do them; and ye shall dwell in the land in safety.'* (Leviticus 25)

Deep thinking and farsighted men like Adam Smith, Henry George, Leo Tolstoy, Albert Einstein and Winston Churchill all saw very clearly the possibility of another option: *a system which would retain land ownership and the incentive of capitalism but, at the same time, remove the bad effects of land ownership* which Karl Marx sought so desperately to destroy. Had their ideas been applied in the western world, there would not have been the growth of communism with its unparalleled toll of death and misery.

These men believed that the Rent of land provided the most logical source of state revenue, making it unnecessary to impose any of the present oppressive systems of taxation. They also saw that collecting the Rent of land would take away the reward of land speculation and thereby make land readily available to those who by their skill and effort would put it to best use. This would be done without state interference or arbitrary confiscation of land. Land owners would have the incentive to part with unused or unproductive land and still show a financial gain. All land would soon be put to the best use to the overall benefit of the whole society.

Adopting this line of thought, a draft Economic Manifesto was submitted to the Conference of the International Union for Land-Value Taxation and Free Trade held at Cambridge in 1984. The main difference between this Economic Manifesto and all the Bills of Rights and Freedom Charters is that it recognises the fulcrum between capitalism and communism; between the need for land ownership and title to land and the desire of all men to have access to land, (in exchange for which

they must accept a corresponding duty towards the community which grants them security of tenure).

It was envisaged that the system which would be brought about by this Economic Manifesto would bring together the basic principle of capitalism and the ideals which inspire men to alleviate the poverty of the masses, ideals which sadly have been subverted into the present systems of communism.

### DRAFT ECONOMIC MANIFESTO

(This Economic Manifesto, which has been slightly revised, should help to bridge the gap between communism and capitalism, the gap between Marxism and Free Enterprise.)

#### *THE EARTH IS THE LORD'S AND THE FULLNESS THERE- OF. Ps. 24*

1. *The earth is common heritage to all men.*
2. *Man is gregarious and is dependant on an organised social structure or hierarchy for his spiritual, mental and physical wellbeing. He therefore has obligations to the community and the community to him. These are individual, economic and civil duties.*
3. *The Individual's duties are:*
  - i *If able, to provide for himself and his family*
  - ii *Not to disturb his neighbours' quiet enjoyment of his land*
  - iii *To keep his land in good condition*
  - iv *To pay to the community the full rent for the land he occupies or controls*
  - v *To observe the duties of the community*

4. *The Community, represented by all tiers of government has economic duties which are :*
  - i *To enforce the individual's duties*
  - ii *To provide for those unable to provide for themselves*
  - iii *To keep unused land in good condition*
  - iv *To collect the full Rent (established by free market conditions)*
  - v *To make land available to those able and willing to use it and pay the Rent*
  
5. *The Community, in conjunction with Government, has civil duties which are:-*
  - i *To protect the nation*
  - ii *To protect the individual from injury, unlawful assault, imprisonment or restriction*
  - iii *To prevent unlawful damage to property*
  - iv *To prevent unlawful attacks upon the reputation of the individual*
  
6. *The above duties constitute the natural sphere of the community and government. Almost without exception, all other activities of government constitute unwarranted attacks upon the freedom of the individual and counter-productive interference in the workings of free enterprise.*
  
7. *Wealth is the result of work on land. Idle land and idle labour restrict the production of wealth.*

*In the production of wealth the return to labour is earnings, the return to capital is interest, and the return to land is the Natural Rent. Natural Rent is that part of the production facilitated mainly by the existence of a community. It is the excess of production compared to that on the least productive land in use for equal application of skill, effort and capital.*

8. *The failure to collect Natural Rent and only Natural Rent is the reason why poverty perpetually accompanies economic progress. It results in a millstone around the neck of free enterprise which it is essential to remove.*

*By collecting the Natural Rent and only the Natural Rent, the state will remove the major cause of poverty, and, at the same time, prove that there is no need for state interference in economic endeavour.*

9. *Improvements on land are the property of the individual land holder; their return does not form part of Natural Rent. The payment of Natural Rent as the sole source of revenue, based on the unimproved value of land only, should be established by free market conditions. Only in this way can capitalism and free enterprise operate fully and to the benefit of all.*

The above draft Economic Manifesto was discussed at the conference at Cambridge and agreed to in principle.

To summarise this chapter, it is submitted that there are three main options open to society (of which the first two have proved to be fraught with danger). These are:

1. Absolute ownership of land entrenched in law, which allows ownership to be collected in fewer and fewer hands but requires the whole nation to defend and preserve that right at the expense of all other citizens.
2. Confiscation of the private land and the use thereof, with or without force, subject to the whims of bureaucrats who have no hope of ever allocating it to best use nor of encouraging workers thereon to give of their best.
3. Ownership of the best land vested in the most competent and enterprising individuals who, in

exchange, render back to the society a Rental value in direct proportion to the advantages which that society bestows on them. In return, society protects their security of tenure, property and lifestyle both by law and force, if necessary. Having paid to the society the Rental value, governed by free market conditions, without state or bureaucratic interference, the landowner is still left with sufficient economic incentive to encourage optimum production.

Meanwhile, that Rent, if correctly used by society, is sufficient to meet the reasonable needs of the community. It will enable government to protect the nation and look after the individual and so perform its true function which is basically to interpret and uphold the law and to look after those genuinely unable to look after themselves.

Under this system nearly all the intentions of the Freedom Charter and Communist Manifesto can be reasonably met without destroying free enterprise. It appears to be the only system able to meet the reasonable needs of the whole population.

This third option would encourage maximum production, a fair distribution of wealth and just reward in relation to personal effort and acceptance of duty.

Would the two opposing sides be prepared to compromise only a little in order to achieve the majority of their goals? Is it not possible for both the ANC and AWB to seek a peaceful solution in a third system as yet totally unexplored?

Suddenly there is rapid change taking place on the political scene both in South Africa and Eastern Europe. President F.W. de Klerk's opening speech in parliament on the 2nd of February 1990 and the release of Mr Nelson Mandela on the 11th of February 1990 have brought about a new polarisation of forces!

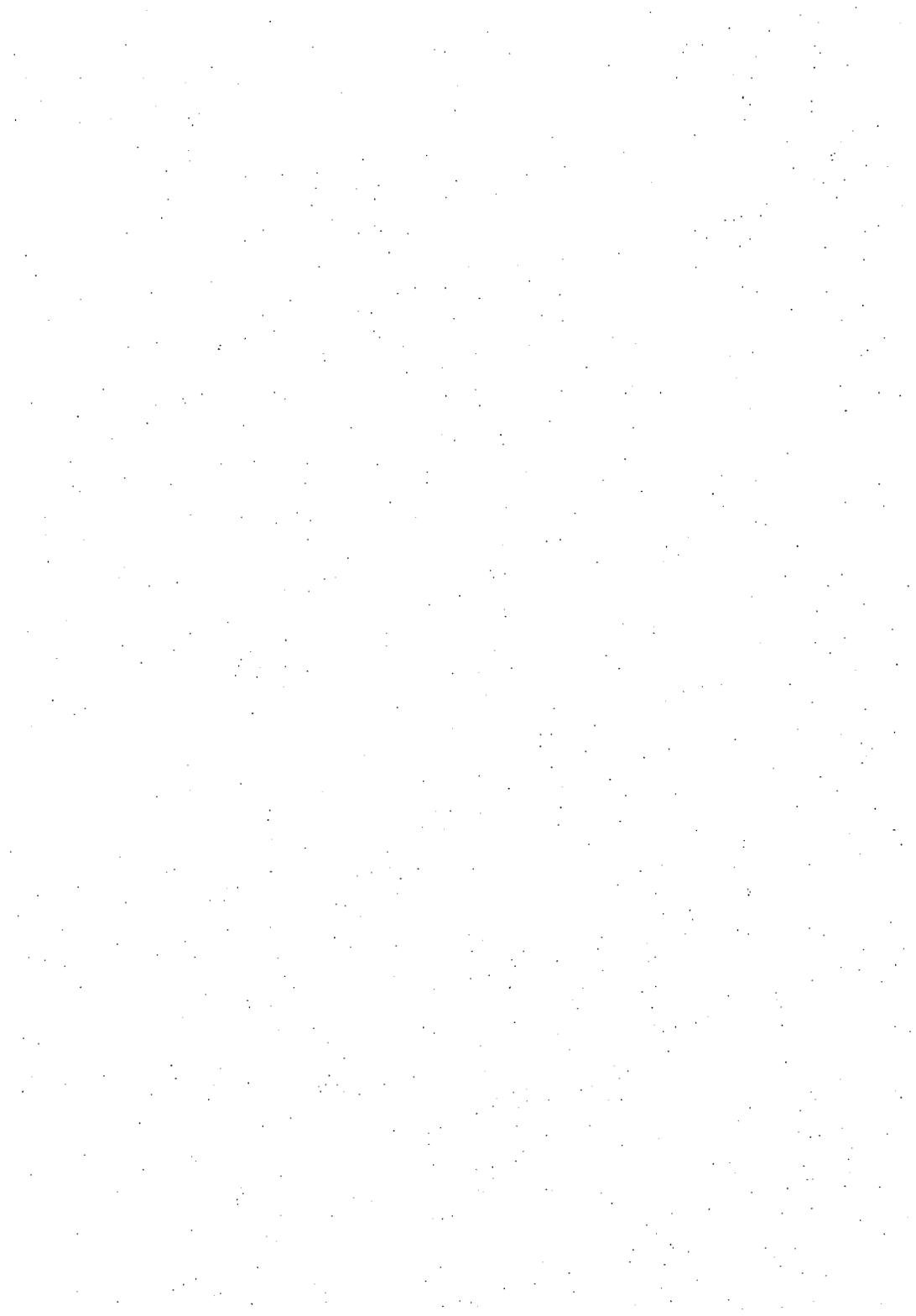
We have the option of rapid progress and economic growth or the build up of opposing forces. Violent resistance to change could lead to civil war and the destruction of the Afrikaner nation.

The American television panel discussion arranged by Ted Koppel between Mr Sisulu and Govan Mbeki of the ANC, Dr Mangosuthu Buthelezi, Chief Minister of kwa Zulu and President of Inkatha, and the South African Foreign Minister, Mr Pik Botha, has been most encouraging for a peaceful settlement.

It is time for both the Conservative Party and the AWB to meet the ANC and other interested parties around the negotiating table to consider a completely new approach to land tenure and systems of government.

SURELY IT IS BETTER TO COMPROMISE A LITTLE RATHER THAN LOSE ALL, INCLUDING LIFE, IN A VAIN HOPE OF GAINING EXTREME ENDS! WHERE ARE THE MEN OF VISION PREPARED TO BUILD A MIGHTY NATION?

Notes:



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## CHAPTER TEN

# TRIBAL LAND TENURE

African tribal custom is reputed to have been based on a form of communalism in which the land was held in common by the chief on behalf of the people. In most cases, family lineage took precedence in a claim to land and it was passed down to the descendants of the original occupier. If the land was abused or abandoned then the chief could allocate it to another tribesman. In some tribes the chief could actually take land away from a user but not whilst there was an unharvested crop. Normally it was not possible to withhold land from use other than for the purpose of letting it lie fallow. No man could claim outright ownership to land.

The tribesmen were first and foremost hunters and roamed freely across the land, provided this did not clash with the similar freedom of other tribes and their hunters.

This communality of land has been mistakenly associated with socialism and used as a tool to promote communism and one-party states. Such states are alien to African tradition whereby the people were inherently freemarketeers who owned what they produced by their labour and traded it freely with virtually no restrictions. This was in complete contrast to the socialist or Marxist regimes which have now been imposed on most of Africa by power-seeking dictators, most of whom have amassed large personal fortunes whilst impoverishing the masses.

The arrival of whites and colonialism changed the system and introduced hardships not previously encountered. The following extract from "Ujamaa: Essays on Socialism", by Julius K. Nyerere, gives a plausible insight into the problem in Africa; this argument was used by Nyerere to promote the introduction of socialism and a one-party state:

*"We took care of the community and the community took care of us. We neither needed nor wished to exploit our fellow men.*

*"And in rejecting the capitalist attitude of mind which colonialism brought into Africa, we must reject also the capitalist methods which go with it. One of these is the individual ownership of land. To us in Africa land was always recognised as belonging to the community. Each individual within our society had a right to the use of land, because otherwise he could not earn his living and one cannot have the right to life without also having the right to some means of maintaining life. But the African's right to land was simply the right to use it; he had no other right to it, nor did it occur to him to try and claim one.*

*"The foreigner introduced a completely different concept, the concept of land as a marketable commodity. According to this system, a person could claim a piece of land as his own private property whether he intended to use it or not. I could take a few square miles of land, call them 'mine', and then go off to the moon. All I had to do to gain a living from 'my' land was to charge a rent to the people who wanted to use it. If this piece of land was in an urban area I had no need to develop it at all; I could leave it to the fools who were prepared to develop all the other pieces of land surrounding 'my' piece, and in doing so automatically to raise the market value of mine. Then I could come down from the moon and demand that these fools pay me through their noses for the high value of 'my' land - a value which they themselves had created for me while I was enjoying myself on the moon! Such a system is not only foreign to us, it*

*is completely wrong. Landlords, in a society which recognises individual ownership of land, can be, and usually are, in the same class as the loiterers I was talking about; the class of parasites."*

How clearly Nyerere saw the problem of land ownership and poverty. And then, with what he saw as a great vision, he proceeded to commit his country and people to communism as the only answer to this problem. How did this great exponent of freedom envisage the upliftment of all his people?

*"We must not allow the growth of parasites here in Tanganyika. The TANU government must go back to the traditional African custom of landholding. That is to say a member of society will be entitled to a piece of land on condition that he uses it. Unconditional, or 'freehold', ownership of land (which leads to speculation and parasitism) must be abolished. We must, as I have said, regain our former attitude of mind - our traditional African socialism - and apply it to the new society we are building today. TANU has pledged itself to make socialism the basis of its policy in every field. The people of Tanganyika have given us their mandate to carry out that policy, by electing a TANU Government to lead them. So the Government can be relied upon to introduce only legislation which is in harmony with socialist principles.*

*"But, as I said at the beginning, true socialism is an attitude of mind. It is therefore up to the people of Tanganyika - the peasants, the wage-earners, the students, the leaders, all of us - to make sure that this socialist attitude of mind is not lost through the temptations to personal gain (or to the abuse of positions of authority) which may come our way as individuals, or to the temptation to look on the good of the whole community as of secondary importance to the interests of our own particular group.*

*"Just as the Elder, in our former society, was respected for his age and his service to the community, so, in our modern society,*

*this respect for age and service will be preserved. And in the same way as the 'rich' Elder's apparent wealth was really only held by him in trust for his people, so, today, the apparent extra wealth which certain positions of leadership may bring to the individuals who fill them, can be theirs only insofar as it is a necessary aid to the carrying out of their duties. It is a tool entrusted to them for the benefit of the people they serve. It is not theirs personally; and they may not use any part of it as a means of accumulating more for their own benefit, nor as an insurance against the day when they no longer hold the same positions. That would be to betray the people who entrusted it to them. If they serve the community while they can, the community must look after them when they are no longer able to do so."*

Wonderful ideals but, in practice, they have failed to have the desired results. More than twenty-five years later, the people of Tanzania are still amongst the poorest in the world in terms of income per head of population. While this does not give an entirely true indication of their standard of living because of the large informal economy, the country has not prospered. The attempt at nationalising and the farming communes have neither given people an incentive to do their best nor drawn capital to improve conditions and give production a boost. This is a far cry from the traditional tribal freedom.

How different Tanzania might have been if President Nyerere had stayed with capitalism and used the simple process of collecting the Rent of land. This would have filled the state coffers and, at the same time, released the stranglehold on land by his landlords and parasites. Even if it did not bring them back from the moon, it would have stopped their unearned income at the expense of the community. It would have given them a strong incentive voluntarily to give up title to unproductive land. What an opportunity he missed to draw capital and prosperity to his backward nation! He even missed

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the distinction between tribal communal land tenure and socialism, which latter claims the products of labour and capital as well as the land.

NOT ONLY TANZANIA, BUT MOST OF AFRICA, WOULD HAVE BEEN FAR BETTER OFF TODAY IF THE BRILLIANT AND CONCERNED LEADER OF UJAMAA HAD STUDIED ADAM SMITH, DAVID RICARDO AND HENRY GEORGE INSTEAD OF KARL MARX AND ENGELS.



## CHAPTER ELEVEN

# NON-RESIDENT LANDLORDS

The early history of tribes in Africa, both before the advent of white settlement and in the early years of clashes between white and black, is either poorly recorded or deliberately distorted. It is thus not possible to know accurately what took place nor what were the tribal customs of the time. It is quite possible that a more accurate history can be gleaned from African folklore than from history books which are normally biased towards the white man's point of view.

Because Julius Nyerere's word picture in Ujamaa possibly depicts the essence of African tribalism, a few relevant sentences from the previous chapter are re-quoted to give the essence from an economic and social point of view:

*"We took care of the community and the community took care of us. We neither needed nor wished to exploit our fellow men.*

*"And in rejecting the capitalist attitude of mind which colonialism brought into Africa, we must reject also the capitalist methods which go with it. One of these is the individual ownership of land. To us in Africa land was always recognised as belonging to the community. Each individual within our society had a right to the use of land, because otherwise he could not earn his living and one cannot have a right to life without also having the right to some means of maintaining life."*

The African accepts that land belongs to the tribe. The fact that he did not think of land in terms of individual ownership could possibly account for the erosion which took place in Swaziland when consecutive kings gave concessions over land for a variety of purposes, without realizing that the whites had

in mind sole use of the land involved. When the concessions eventually lay three or four deep over much of the land, it became obvious that the Swazi nation had virtually no land left when seen in terms of European accepted custom. However, during the first British occupation of the Transvaal, Sir Theophilus Shepstone was given the task of sorting out this dilemma. Fortunately he realized that there would be no justice in taking all the land away from the Swazi nation and thus gave approximately fifty percent of the land back to the nation whilst most of the remainder was divided between the concession holders.

The fact that nearly half of their land was owned privately, much of it by non-residents who held on to it for speculative purpose, depriving the Swazis of using it even for grazing, created many problems. Some of the best land was left idle while tribal land was often over-populated or over-stocked. The land withheld contributed nothing to the growth of the community or the economy. The landowners paid no taxes. They fitted perfectly into what Julius Nyerere termed "the class of parasites".

Swaziland tried to remedy the problem by passing a law forbidding the sale of land to non-residents. Predictably, this was a mistake as, rather than encouraging the sale of land by speculators, it had exactly the opposite effect. In over a year there was scarcely a sale of land and the law had to be repealed.

Following this impasse, a study was made by a small group of students of economics and their proposal submitted to the Minister of Finance who, for personal reasons, saw fit to disregard it completely. The proposal was to impose immediately a blanket tax per acre on all land while a valuation roll was being prepared. The valuation could be made by the owners of land and built into a Valuation Roll which would then be made public and all owners given an opportunity to amend their values if these were out of line with others in the area. These

valuations would then form the basis for an annual tax on land and also set the selling price for government or private purchase of land. All offers to purchase would be made in writing and made public. Any offers which were more than ten percent above the Valuation Roll would be incorporated therein whether they were accepted or not. By the same token, if land was offered for sale and could not be sold, then it would have its value reduced until it could be sold.

The proposals were designed to encourage unused land on to the market at realistic prices and to discourage the withholding of land for speculative purposes. In a situation where most of the Rent on land is collected by the State instead of other taxes, there is little left to be capitalised into inflated market value, and, when land speculation becomes unrewarding, it reduces or even stops so that land becomes available to those who would put it to good productive use. Therein lies the best solution to unemployment, poverty and starvation.

The problem of non-resident landholding, and a dearth of land for those who would put it to best use, is common to many of the newly independent nations and a major cause of strife between the peasant farmers and wealthy landholders. It is the cause of nationalisation of land, with or without violence, with or without financial compensation, with or without the formation of a one-party state where the masses are deprived of political or economic power.

For the small and newly created states which are not so hidebound by laws and tradition as are the more established nations, there is, however, hope and a very real possibility that one of them could become the model for the rest of the world to follow. Because of their inherent understanding of community ownership of land, it should be easier for them to accept that those who are allowed the use of the best land, in turn, have a corresponding duty to the community which protects their right to use it. This duty would be simply to pay

the economic Rent of the land back to the community, the value of which would be established under free market conditions.

There is a second problem which existed in Swaziland and most likely still applies not only there but in many other African countries and that is a carry-over from the tribal custom which prevents private ownership of land and registration of title. The use of land is often subject to the whims of tribal chiefs or headmen, so that in some societies it is very easy for the best developed land to be taken away from the man who has developed it and given to a brother or friend of the tribal chief. This acts as a strong disincentive to develop the land, or fence it, or put up any permanent structures; hence the traditional Swazi hut which was made of a wooden stick frame and filled in with mud or clay, which could be knocked off and the wooden frame transported manually to a new site when necessary - a forerunner of the modern mobile home.

In a modern developing society, it would be a simple matter to register title over marginal land for a small registration fee, provided it had not already been registered. This would encourage development of the land and the provision of permanent structures. It would also pave the way for the registration of building loans or agricultural development loans. Whilst the land was still economically marginal, there would be no Rent to pay and no other taxes either. This would encourage vast tracts of land into production and reduce, if not actually eliminate, unemployment.

As the economy started to grow as a result of the change in the system of taxation and the use of formerly unproductive land by unemployed labour, so the previously marginal land would begin to have an economic value. With the growth of markets and infrastructure, this land would soon be in demand which, instead of inflating its market price, which labour could not afford, would attract instead a Rental value payable to society or the State as a substitute for any other personal or

production taxes. Only those who were eager to work the land to its full potential would be prepared to offer a higher Rental value than that being paid by the present encumbent. The existing owner would be obliged to match the Rental value offered or to sell his improvements thereon at reasonable market prices. Neutral assessors would have little trouble in establishing a replacement value, less depreciation, for all improvements on the land. This is common practice today.

From a practical point of view, it would be necessary to establish a simple structure for establishing the annual Rental value. In most societies it should not be necessary to collect the total Rent in order to meet the community and state requirements. Were only eighty percent to be collected, this would leave twenty percent to be capitalized into a reasonable market value and this remaining twenty percent would allow free market forces to function in establishing annual Rental value.

Not many of the people who would wish to acquire land with the intention of working it would have a knowledge of discounted cash flow, which is the method used by large corporations to establish present value of future economic returns on a new investment, allowing for interest rates on money. Therefore it would be necessary to use a system easily understood by the average man and this could easily be achieved by relating market price *of the land only* to years of Rent.

Traditionally, on agricultural land with no particular improvements, the market value was calculated as twenty years' Rent. High interest rates on money and high inflation have rather complicated matters but, when the one is offset against the other, the calculation is little changed. If the system advocated here were to be adopted, then both interest rates and inflation would most likely drop considerably; twenty years could be used in the original estimates of Rental values and adjustments made to suit conditions later.

With the above considerations in view, the following formula would provide an easy method of relating rent and market value:-

- 1. Let the market value be four years Rent, and
- 2. Let the Rent to be paid to the community be one quarter of the market price.

The following proviso would be essential: The total amount paid to the community should be divided between all levels of government and local government. Only in times of national emergency, such as war, should government be allowed to increase the total amount of Rent payable and this should never exceed one third of the market value, which value would soon drop so that the additional Rent collected would be less than first imagined.

Countries like Zimbabwe could well benefit from the land Rent structure discussed above. One of the main problems remaining after independence was the amount of land owned by white farmers and many non-residents. Although money was made available by Britain to purchase land for re-allocation to the people, the high cost of land has delayed this project. However, if the system of taxation were altered, landowners would be encouraged to dispose of land not actually in use and, if this were accompanied by easy transfer of the money received from the sale of land, then far more land would become available.

Land so redistributed should be allocated to those prepared to pay the Rent or, once again, there would be black men putting on white men's shoes and the majority would remain poor and without access to land, except as servants or economic slaves.

The national states which have gained independence from the Republic of South Africa fall into a similar category to Swaziland and Zimbabwe. They will never free themselves

from Third World poverty unless they allow the registration of title to tribal land by those who are prepared to pay the highest Rent to the State under free market conditions. Under this system, hopefully, one of these small nations will some day lead the field in establishing a free and just society where men may live in peace and economic security and where unemployment and poverty will exist only in the history books.

Under a recent newspaper headline: "Out of Africa: Man's Colonisation of World", it was reported that experts from Britain's Natural History Museum believed the first humans migrated from Africa 100 000 years ago - and colonised the world. The present political melting pot in Southern Africa could well provide the recipe for the solution to the world's problems of land tenure, unemployment and poverty. *Out of Africa could come the greatest gift to both East and West, to both capitalism and communism - a new breed of capitalism stripped of its present power to create monopoly in land and so improved thereby that it could be guaranteed to ensure the preservation and upliftment of human life.*

The problem of non-resident landlords is by no means peculiar to Africa. Many other parts of the world suffer from poverty or violence, the origin of which can be traced to the workers having to pay unreasonable Rent to absentee landlords who contribute nothing to the growth of the local economy.

The Irish problem only appears to be a difference of religious views. Many studies have shown clearly that this apparently irresolvable problem stems from land ownership by non-resident English landlords. At the time of the potato famine, whilst people were starving in the presence of plenty, wheat, which the Irish peasant was too poor to afford, was being exported to pay the Rent to English landlords. This was clearly shown by Henry George over a hundred years ago and more recently by Ray Crotty.

Some of the greatest poverty in the USA has been in the mining and timber regions of the Appalachians where conditions have spawned the Hill Billies. This is one of the richest areas in natural resources and mineral wealth, but the mineral rights are owned mainly by non-resident landlords and national mining corporations who pay minimum wages under bad working conditions to the local workers, while large profits are paid out in other areas of the USA.

Wherever there is abject poverty co-existing with wealth and good natural resources, it is only necessary to establish who owns the land in order to understand the basic cause. Invariably a large percentage of the population has no direct access to land and no individual grazing rights.

OWNERSHIP OF LAND REPRESENTS WEALTH;  
DEPRIVATION OF LAND NORMALLY LEADS TO  
POVERTY.

**Notes:**



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## CHAPTER TWELVE

# ARE FARM SUBSIDIES A RIP-OFF?

There are few ventures more lucrative than farming on large holdings of prime agricultural land in a country where high taxes are imposed at the margin of production. As previously explained, marginal land is that land which, due to poor quality soil, poor climatic conditions such as drought or distance from the markets, allows no excess after paying the costs of production. *Any tax at this margin makes all the difference between an enterprise being able to continue to exist and provide employment or going broke.*

As the successful farmer on prime land, perhaps it is useful to have good friends at court or be in parliament oneself where it may be possible to champion the cause of the marginal farmer. A strong agricultural union can also be a useful ally, whether consciously or not. Putting a strong case for the farmers who are struggling on marginal land - and there are many of them - can be a very popular cause and assist a good farmer and orator to gain a seat in parliament.

Parliament, with all its perks, prestige and power, is only the thin end of the wedge. *The main objective is to encourage government to continue taxing the margin of production in order to give a good reason for providing subsidies to help the struggling farmers.*

There have been many different subsidies paid indirectly to farmers in the past but the RSA Government is in the process of reducing most and intends eliminating them over the next two years. The industry subsidy on the marketing of maize has been as high as R300 million for a total crop of 6 million tons; in effect, approximately R50 per ton to all producers. This is

now being reduced to R76 million in 1990 for an estimated 11 million tons, R38 million in 1991 and zero the following year. The corresponding subsidy on wheat was as high as R300 million, reduced to R115 million in 1990, R57 million in 1991 and zero the following year.

Consider the marginal farmer who is struggling to make ends meet because of poor yields, large costs in getting his crop to market (perhaps accompanied by produce losses) and crippling, relentless taxes such as a general sales tax. If his crop is 2000 bags of maize on which an additional subsidy of 50c per bag is granted by government, then he will receive an additional R1 000 per annum. This could be less than the extra wages that he has to pay his workers because they have to pay G.S.T. on most of what they buy; to say nothing about the taxes on fuel and transport necessary to get his crop to market or his children to school, to name but a few.

Meanwhile, the prosperous farmer with several large farms in a good rainfall area and close to town and market is more likely producing 200 000 bags and showing a healthy profit. Yet this farmer receives - unearned and out of taxpayers' money - an extra bonus of 50c per bag; but who would look such a gift horse of R100 000 in the mouth?

It would surely be better to give every farmer a bonus of, say, R1 000, collected back by a tax on profits or as a percentage of the Rent on land so that the tax burden would fall on those in the best position to pay it; but, better still, to free the marginal land of all forms of taxation. *Truly marginal farms would have no Rental value and would pay neither taxes nor Rent. Most farmers, except the richest, would be much better off if they were to pay only the Rent on land instead of other taxes.* If they really understood these proposals you can be sure that they would be at the forefront in agitating for such a system. After all, is not the most expensive land not on the farms but in the cities?

How does the average farming land compare with R200 to R2 000 per square meter?

When considering the security of the nation or the stability of the economy, it is obvious that both can be improved by having all farms owned by those who work and live on them because it must be in the interest of the nation to have individual ownership of farms rather than the growth of agribusiness. However, it is only too obvious that the present system has encouraged the accumulation of ever-increasing amounts of land in fewer and fewer hands and, as speculation drives the market price of farmland beyond the reach of most small farmers, the price of many farms is such that the annual production fails to meet the interest on the capital, let alone provide for the farmers' personal needs.

The present system in most Third World and Western countries is rapidly destroying the future of farming. As large farming operations tend to mechanize and fewer people are able to earn a living off the land, unskilled labour is rapidly becoming unemployed marginal labour. This is a new category of poverty which could, in time, compare with the tide of displaced people caused by the Land Enclosure Acts which were the direct cause of untold poverty and premature death. It is only necessary to look at the squatters' camps which have sprung up in the last few years in most countries to realize that this will still become one of the major crises in the civilised world; for, as cities become throttled and crime uncontrollable, no one will be safe from the threat of violence and the spread of disease.

*Squatters' camps are a potential time bomb. They originate from bad tax and land policies; from greed and ignorance of the laws of nature. The attitude, "I'm alright, Jack!" prevents people from taking a serious look at the long-term effects on the whole population. But ARE you alright?*

We have only so far considered the immediate effects but there are many other factors to be taken into account.

Even if the medium-sized farmer were to pay exactly the same amount in Rent as he previously paid in tax, he would be in a better position. The average farmer does not use all his soil and even that which is in use is often under-utilised as he is forced to extend his supervision and labour beyond the optimum use. If such a farmer sold, say, one quarter of his land because of under-use, then he would be reducing his Rent by roughly a quarter with little effect upon his total production. This could be taken a few steps further until, ultimately, with the use of modern technology on a concentrated area, his income (after paying Rent) could be just as high as previously, and his quality of life improved. Meanwhile, other farmers could be producing as much on that land which he has relinquished.

By this system many people could be encouraged purely by self-interest to take up farming and repopulate the rural areas, providing more employment and improving the quality of life for all.

*Subsidies or grants could be diverted elsewhere, namely to the vital areas of land conservation, protection of the ecology and wild-life preservation.*

Let us start with an annual subsidy of, say, R1000 per hectare for man-made dams. Would this not encourage the construction of many small dams all over the country and would these not help to retain water as near as possible to the source, and reduce soil erosion and flooding? If such dams were stocked with fish they would provide an additional source of food and protein.

Special concessions could be given for the planting of trees, both for timber and to restore the ecology. The cost of planting trees for timber would be less than at present as there would

be no taxes on labour, either directly or indirectly, such as GST on employees' purchases. It would be necessary to defer payment of the Rent on land until the trees were cut and marketed. The Rental value would be directly related to the free market selling price of the timber. Instead of making a bid on land price in order to obtain tenure of the land, a prospective farmer would offer a percentage of the selling price as an accumulated Rent over the growing period. This again would be established in a free market. The present owner should again be given a ten percent advantage over new buyers.

There are many areas where selected parcels of land are of no particular commercial value to the farmer or owner but could be of great value to the community. Mountain sides could be used for nature conservation, and areas next to highways and rivers as excellent resting places for tourists and motorists. Under the present system, the owners tend to ask a premium price for such land when they know that it is wanted by society. Under the land Rent system proposed, they would be only too willing to relinquish title in order to save paying the Rent. In many cases, they would give these unproductive pieces of land back to the community at no cost at all. What a boon this would be to nature conservation!

Where justice, understanding and caring are not yet the outstanding features of a society, the size of the prize for greed must be reduced. Neither the land baron nor the land-hungry masses are the sole possessors of the earth. Wild life needs to be given a sporting chance if the ecology, of which man is the aberrant part, is not to exact a retribution.

**THE INJUNCTION THAT ALL MAY LIVE  
COULD READILY BE EXTENDED TO APPLY  
NOT ONLY TO PEOPLE BUT ALSO TO ALL  
THE OTHER SPECIES OF CREATION!**



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## CHAPTER THIRTEEN

# A HOME FOR ALL

Consider a society in which every family is able to own a house, a society in which each family is reasonably housed - not only the rich but everyone! Think of the effect that would have on the quality of the nation.

When a man has a stake in the land, then that land becomes worth fighting for and it is in his interest to see that law and order are maintained in the country. If everyone had a reasonable stake in the land and also believed that there was both economic and civil justice, there would be little need for either a large police force or an army.

*The degree to which there is individual ownership of the houses in which people live, and the adequacy of those houses according to the owners' need and contribution to that society, could well be used as a barometer of the degree of civilization of that nation.*

By the above standard, there are few civilised nations and possibly none in the whole of Africa. The Republic of South Africa, with its acute shortage of black housing, with its dearth of proclaimed residential land, and with policies that deny access to land, certainly would not rate high as a civilised nation.

In the last few years, various predictions have given startling figures on the housing shortage and the requirements even in the short term. Some believe that within fifteen to twenty years twice as many houses will be required, which means that, in that period, it will be necessary to build as many houses again as are presently available; as many as all those built in the life

of our nation and still standing. This is no small accomplishment for a nation to achieve. This prediction may or may not take into account the present shortage of accommodation nor is it clear whether this takes into account the dreadful shortage of black housing.

One of the main obstacles to achieving this target is the shortage of suitable land on which to build such a large number of houses. Land has to be obtained, planning carried out, infrastructure provided and proclamation granted. But the first hurdle is obtaining the land because of highly inflated market prices, prices deliberately pushed up by landlords who know that the developers have no option but to pay their price sooner or later. This gives them a large unearned profit. In our present society this is regarded as good business and so these people, because of their wealth, are often highly respected.

How strange that society rewards the individual both financially and socially for blatant anti-social behaviour! One cannot blame the individual as he is only playing the game according to traditional rules accepted without question by the masses who, having the vote, are more interested in sport than the welfare of those who live in poverty or who battle to find affordable accommodation.

Let us find a way to change the rules of the game! Let us find a way to apply modern technology and managerial skills into turning South Africa into a highly civilised nation by any standards. This need not be a pipe dream; it can be done.

South Africa is a wonderful country with a wealth of both natural and human resources. We are a people which, given the opportunity, might outshine the rest of the world in almost anything we set our mind to. But the starting point must be to provide everyone with the opportunity and means of building his own home. The cornerstone of such a programme is in changing the rules regarding land tenure and taxation.

*Land speculation is still to be recognised as the greatest disease of the Western world, the greatest disease of capitalism, democracy and free enterprise.* It is this disease which is the very genesis of communism and socialism. When it is eventually recognized for the destructive disease that it is, then South Africa can begin to exploit its full potential.

Although Apartheid has been recognised by the majority of South Africans and the outside world as a crime against the masses, few recognize the evil effects of land speculation which are a more subversive evil. Not even the supporters of communism seem alive to the fact that our main cause of poverty is not capitalism and free enterprise but the system of land tenure and taxation which encourages and rewards land speculation.

Even the Margo Commission completely missed the point of tax reform and merely juggled with the numbers and, in spite of several recommendations to them on real tax reform, saw fit completely to neglect the major issue and the significance of taxation and land reform.

Yet there have been many examples worldwide where the correct change in taxation has brought about an increase in production and an increase in housing development. Right here in RSA, those cities and towns which collect their rating revenue not from buildings, which are the products of labour, but from land values only have shown twice the rate of growth compared with those which rate both land and buildings at an equal rate. But there has been a major swing towards land value rating. However, Cape Town and Port Elizabeth still remain on the archaic system of rating buildings (See Chapter 14).

Britain actually introduced a Bill to parliament to start the collection of a small portion of the Rent on land but it was eventually defeated by a coalition of landlords. In Denmark a coalition of small parties came to power and prepared a Bill to collect government revenue by collecting the Rent on land.

Even before the bill was passed, there was already a dramatic effect upon the economy which showed signs of a marked upturn, a decrease in unemployment and an improvement in the country's balance of payments. However, again, the landlords were able to defeat the government.

*There are many examples where a reduction in the rates on buildings and an increase in rates on land have resulted in a large increase in building plans being passed and in increased building activity.*

If this concept were taken to its logical conclusion, then all government revenue should be collected from the Rent on land. There would be no confiscation of land but all who claimed title to land would have to return to the community the annual value given to that land by the community, such annual value determined by a free market. This is the only form of economic justice!

But how does this relate to the provision of accommodation for all? Quite simply, by taking the unearned profit out of land ownership, there is little reason to hold on to land which one cannot use or from which one cannot collect the Rent. However, it goes much further than that; it costs the land owner money out of his own pocket to hold on to land which is unproductive in his care.

The price of land is related to its annual economic value as determined by the existing market forces. Traditionally, the value was twenty years Rent but this has changed slightly with changes in interest rates and high inflation rates. If a large portion of the annual Rental value were to be collected as the major source of revenue, the market value would drop, never to rise again at the rapid rate which has been experienced in recent years. This would quickly put unused land on the market at reasonable prices and make the provision of building sites a viable proposition. Why should we as taxpayers have to pay increased taxes to enable the government to pay high

prices and unearned profit to those who have done the community a disservice by withholding land from use?

There would, however, always need to be a residual value on land so that free market forces operate and it be important for owners to have a residual stake in the land so that it would not be neglected or even wilfully destroyed. One line of thought is that 80% of the annual Rent should be collected, leaving 20% to be capitalised into market value. This needs to be translated into a practical and easy system for assessment purpose.

As mentioned in chapter eleven, the system of assessing annual Rent would need to be readily understood by all. A simple formula would relate market value to annual Rental payment. As an example, the market price might be four years Rent; conversely, the annual Rent would be 25% of the market value. In practical terms this would mean that when one offered to pay a certain amount for a piece of land or a building stand then, at the same time, one would contract to pay an annual Rent to government of one quarter of that amount.

The above formula would also mean that, when the owner of land asked a certain price for his undeveloped land, he would be committed to paying one quarter of that amount in annual Rent if the land remained unsold. *The market price of land would very soon stabilize at realistic values and land speculation as such would be given a mortal blow. In this way land would soon become available both for productive use and for housing.*

Under the subject of housing, there is a related subject which requires brief examination, and that is squatting. The rapid growth of squatters' camps has become a major problem in many parts of the world and, although the problem is greatest in many Third World countries, it also exists in many Western countries. Squatters' camps are a major cause of both physical

and mental disease and no country which has this problem can ever be completely civilized.

The poor quality of life which must exist before people are driven into squatters' camps needs to be examined in as much detail as the dangerous effects of that squatting. It would be far better to find ways of improving conditions in the area from which the people have come than have to spend even more to improve conditions in the area in which they have been forced to squat.

While a large quantity of rural land lies idle, either because of speculation or because farms are larger than the farmer can manage, many people have no access to land on which to earn a living nor on which to live, so that they are often faced with working for a pittance or migrating to the cities in the hope of being able to find employment.

By collecting a major portion of the annual Rent on land, a large amount of unused land would come on to the market at reasonable prices. As a result, more employment would be available in rural areas where it is usually easier to provide reasonable accommodation and this would take some of the pressure off the cities and help to improve the general standard of housing.

There is a further important consideration on housing. This chapter started with the idea of a society in which every family owning its own home would create a stable and happy nation. *So far, the ideas expressed might ensure that there would be housing for all but they do not specifically encourage occupant ownership.* To achieve this, one more condition is necessary. In collecting Rent, as previously expressed, there should also be a base line rebate for everyone for accommodation which is owner-occupied. This would only be given once to a family. A landlord would receive no rebate. This rebate would give a strong incentive to occupier-ownership. But could a community afford it? In practice, there would be little cost to the

community as the rebate would quickly be consolidated into the Rental value. In all but marginal land, the rebate would be added directly to the Rental value. This would automatically increase the amount that a non-resident landlord would be committed to pay in Rent and not be recoverable from the tenant. Any attempt to recover this additional amount would give another incentive to the tenant to purchase his own house.

In summary, the most important step which any government can take to improve housing throughout the community is to change the system of taxation to encourage home ownership. The most effective change would be to collect the annual Rent on land and then grant a base line subsidy for all owner-occupiers. Maximum results would be obtained at a minimum direct cost to the community or nation.

### HOUSING SUBSIDIES

Because of the high price of land and, subsequently, of housing, many companies and governments have tended to give their employees a housing subsidy. On first appearance this is an excellent way of helping their staff. But what is the effect on the community and also on housing in general?

When a large number of people in any particular city are given housing subsidies by government, it must create an artificial market because buyers are able and willing both to pay a lot more for a given house or purchase a larger house than they could normally afford, this having an inflationary effect on the property market.

House prices tend to rise much quicker than the cost of building. This additional amount immediately finds its way into increased land prices. These increases result in an improved profit to those who have speculated in land and the longer the land has been kept out of use the greater will be the profit. This profit, in turn, becomes an incentive for people with

money to speculate in land as a hedge against inflation. Township developers have often used this as a slogan to encourage the sale of stands in new townships to speculators. They, in turn, help to push up the price of housing to the genuine buyer. This trend makes it almost impossible for newly married couples to afford even the smallest house.

It would be far better for government to collect the Rent on land, as advocated here, and thus keep the price of housing down, than to have to subsidise housing. Almost all government subsidies are a direct transfer of taxpayers' money into the hands of landowners and speculators; a legalised robbing of the masses to increase the wealth of those who least need or deserve it. Meanwhile, the taxpayer not only has to subsidise speculators by government decree but is also faced with competing for the purchase of houses at inflated prices. Thus the average taxpayer is twice robbed by the very government which he pays to protect him.

### HOME AND TRANSPORT

Travelling along the Rhine river valley, it will be noticed that the castles are very close together. Upon reflection, it will be realized that they are perhaps some two or three hours walking distance apart. At the time of building them, they provided both shelter and protection for their inhabitants. Many of those inhabitants worked in the fields or vineyards surrounding the castles and it made sense that these workers should be able to walk to their place of work within about an hour, perform a day's work, and then walk home again before dark.

Today it makes similar sense that the majority of workers should live within less than an hour's travel of their work, and that the place in which they live is the family home and not some temporary housing, shack or single-sex compound.

There will always be people who are prepared to suffer inconvenience in order to earn the higher rewards of contract and construction work. That is their choice, but it should never become their only choice because of a bad structure of society or through discriminatory laws.

Wherever possible, work opportunities should be taken to the people and not the people to the work. In primary industry, there is little choice but in other forms of employment the geographical location can often be strongly influenced by a country's system of land tenure, laws and taxation. The system of taxation discussed in this book would have a strong influence in this direction. In addition, it would play a significant part in the provision of rapid transport systems to connect residential areas to industrial, business and shopping areas.

*Wherever new rapid transit systems have been installed in cities of the Western world, there has been an immediate increase in property values; within a few years the total increase has been approximately five or more times the total cost of the transit system.* The community normally carries a debt that takes twenty or more years to pay off but, meanwhile, property owners, and particularly speculators, show an unearned profit of many times this debt due to the capitalisation of the increased Rental value of the land. If this increased annual Rental value could be captured by the community by Rent collection instead of tax on people's efforts, it would repay the cost of the system in approximately five years and the community would then be free to take the next step in expanding the transit system as required.

Exactly the same reasoning applies to the construction of roads and highways. The present tendency of creating toll roads is an expensive and fairly futile system of trying to repay the capital cost. How much easier and more effective it would be purely to collect a fairly high portion of the increased annual Rent!

Irrigation schemes, water and power distribution, along with all other developments in the infrastructure, all add to the annual Rent of land which is the logical source for collecting the revenue necessary to pay their cost. Most of these developments can assist in taking employment to the people, or in making it easier for the people to get to their employment. Either way they must add to the overall quality of life.

Were a nation to follow this course of financing the expansion of its infrastructure, there would be no limit to the development which could take place without incurring a large and burdensome national debt. There would be no limit to the housing and employment which could be provided without having to call upon overseas financing and expensive loans. A new level of national independence and internal development would quickly be achieved.

South Africa could become a civilized nation - one of the only truly civilized nations in the world!

### ARCHITECTURAL HERITAGE

Many building sites in the centre of Johannesburg have already been built on four times in little over a hundred years. Buildings of nearly twenty floors in height and some fine examples of architectural design have been among those demolished or imploded. Sir Herbert Baker buildings and others of historic value have been altered, defaced or built on to in spite of efforts to conserve them for posterity.

On the positive side, Johannesburg has not been subjected to the inner city blight which is so characteristic of cities like New York, or others which base their city rating on the annual income of the property. Where rates are collected on site value only, there is no incentive to retain buildings which are beyond their economic life nor does it encourage the shameful practice of bricking buildings up to avoid paying rates and taxes.

In London some war-bombed sites remained empty for tens of years earning no rates for its community yet all the while increasing its market value. Under a system of site value rating, even the undeveloped sites would have contributed rates to the community, but it is unlikely that they would have remained vacant for long.

All the above are symptoms of the prevailing system of taxation or city rating. This is discussed in more detail in the next chapter but, in essence, when city rates are levied on rental return, owners are encouraged to allow buildings to stand empty. One of the most notorious examples of this was Centre Point in London. Possibly still the tallest building in London, it was deliberately kept empty when newly built in order to inflate its market value and the value of all the surrounding land. Meanwhile, it contributed next to nothing in rates to the community.

*So, how can a city's architectural heritage be preserved by a system of rating and taxation?* On first appearance, collecting rates and government revenue on land values only or annual Rental value would appear to work against the preservation of national heritage buildings. But why are these buildings so vulnerable?

The ground floor of the Union Club in Johannesburg was converted into shops in spite of every effort by the Board of Directors to conserve this lovely Sir Herbert Baker building. The main reason was that the land upon which it stood, along with all the surrounding land, had been given a bulk zoning of at least twice that of the existing building. Since rates are on land value only, the annual rates were the same as for those new buildings with twice or more the letting value.

Speculators and developers have a large incentive to apply for, and bring pressure to bear, to obtain rezoning for high-rise building. This gives an immediate unearned profit in increased land price. If most of the annual Rent was collected, this

speculative gain would be considerably reduced, town planning would be simplified and selected sites could be pegged at their existing bulk-building factor. With the market value below that of surrounding high-rise building sites, there would be an incentive to retain the national heritage buildings. This would be done at no direct cost to the community.

The same reasoning would apply to parks and other public land. Without the incentive for unearned profit gained by a relaxation of building restrictions, there would be less desire to manipulate city and government officials, not to mention scope for bribery and corruption. There would also be less chance of unfair and immoral speculation on the part of those fortunate enough to have inside information of government and town planning, at the expense of those kept ignorant. This speculation often increases the cost of many public projects.

Normally, the presence of a park or fine building increases the value of surrounding property. This increase is, in fact, an increase in land value. Within the proposed system, this would be represented by an increase in annual Rent, which, in economic terms, would pay for the presence of the park or civic building.

**ONLY STATES WHICH IMPROVE THE QUALITY  
OF LIFE BY EFFECTIVELY ENCOURAGING  
HOME OWNERSHIP CAN TRULY BE CALLED  
CIVILIZED!**

Notes:



## CHAPTER FOURTEEN

# EFFECTS OF MUNICIPAL RATING ON PROGRESS

When two separate surveys were carried out by the writer on the effects of various forms of municipal rating in South Africa, both gave the same conclusions, namely, that site value rating encourages economic growth and the rating of improvements discourages growth. These results have been confirmed in other countries and the results are pertinent to the argument put forward in this book. The results of the second survey are thus given as the subject of this chapter.

Over a hundred years ago, the theory was well-established that collecting revenue from the products of labour discourages economic growth. Conversely, collecting revenue from land value or the rent on land encourages a healthy economy. Adam Smith understood this principle whilst Ricardo established certain laws and definitions, but it was Henry George who formalised the ideas and set them out very clearly in his book, "Progress and Poverty" published in 1879 and still essential reading for economists seeking the basic causes of most of our present economic ills.

This theory has been proved in practice in the past in various countries such as Denmark and Australia, and continues to be substantiated here in R.S.A.

The first survey carried out in R.S.A. in 1982 showed that there had been a steady swing away from rating improvements and towards collecting local revenue from land values only - generally known as Site Value Rating. It can now be shown that

approximately 70,6% of all township growth has taken place in towns and cities that rate land values only.

### DEFINITION OF TERMS

**Rating:**

Collection of municipal revenue based on the valuation roll expressed as cents in the rand per annum. This can also be expressed as a percentage.

**Flat Rating:**

Rating based on the total value of land or site plus improvements.

**Composite Rating:**

A two-rate system, higher on site value and lower on improvements.

**Site Value Rating (S.V.R):**

Rating based on site value only (nothing on improvements).

### SECOND SURVEY (1987)

Out of the 256 towns for which information was readily available in the 1984/85 South African Municipal Year Book, 96 towns each had a total valuation of land and improvements below R20 Million and together accounted for only 1% of total valuation for South Africa.

A further 48 towns, with values of between R20 million and R30 million, accounted for only a further 1,36%. Divisional Councils and Peri-Urban Boards or new townships made up a further 10%. The main valuation lay in 112 towns with a total valuation of approximately R60 000 million or, say, 86% of the total improvement value.

The following tables give a picture of the trend in township growth:

TABLE 1. THE SWING FROM TAXING BUILDINGS TO TAXING SITE VALUE

RATING SYSTEM	1951		1969		1979		1984	
	No of Towns	%	No. of Towns	%	No. of Towns	%	No. of Towns	%
Flat (Single rate)	187	58	114	37	100	32	61	23,8
Composite (Two rates)	99	31	108	35	102	33	97	37,9
Site Value (Land only)	36	11	88	28	108	35	98	38,2
TOTAL	322	100	310	100	310	100	256	100

A number of small towns included in the earlier survey do not appear in the 1985 Municipal Yearbook

In thirty-three years the number of towns on Site Value Rating (S.V.R.) has increased from 11% to 38,2% and Flat Rating reduced from 58% to 23,8%.

The towns remaining on Flat Rating include a large number of small towns which show little growth. The figures are more significant when one looks at the larger towns where the main growth takes place.

Table 2, which follows, compares 112 towns, each with a total value of over R30 million in 1984 official figures, compared to the top 125 studied in 1979:

TABLE 2 SYSTEM OF RATING IN LARGER TOWNS;  
(112 TOWNS EACH OVER R30 MILLION  
TOTAL VALUATION)

Rating System	1979			1984			
	Number	%	Value %	Number	%	Total Value Rands mil.	%
Flat or Total value	20	16	15,5	12	10,7	6232,5	10,4
Composite	45	36	24,2	38	33,9	12103,5	20,2
Site value	60	48	60,3	62	55,4	41506,7	69,4
TOTAL	125	100	100	112	100	59842,7	100

Towns below R30 million account for only 2,4% of the total value so can have very little significance on conclusions drawn from this study.

The difference between the 125 towns compared in the 1979 study and the 112 towns in the 1984 study consists mainly of towns now below R30 million total valuation. Figures for four towns included in the 1979 study which helped make up the total of 125 were not available for inclusion in this study. Allowing for omissions, it is estimated that this study would have less than a 2% error.

Significant points brought out by Table 2 are as follows:-

1. Nearly 70% of the total growth in urban valuations has taken place in townships which are now on S.V.R.
2. The swing continues towards S.V.R. and away from Flat Rating.
3. The towns remaining on Flat Rating are almost exclusively in the Cape Province and, with the exception of those directly related to the two ports of

Cape Town and Port Elizabeth, play an insignificant part in the economic growth of R.S.A.

4. *The serious property and industrial investor is not generally attracted to towns which rate improvements. This will be confirmed by the following table.*

TABLE 3. COMPARISON OF TEN-YEAR GROWTH IN TOTAL VALUATION (112 TOWNS EACH WITH VALUE ABOVE R30 MILLION IN 1984).

Rating Categories 1979-1984	Previous study 1959 - 1979				Present study			
	Number of Towns	Valuation (R mil.)		% Increase Over 20 Years	Number of Towns	Valuation (R mil.)		% Increase over 10 Years
		1959	1979			1974	1984	
Flat	20	705,7	4491,8	536,5	12	2297,3	6232,5	171
Change to Composite	8	59,1	564,9	855,8	5	338,9	842,9	148
Composite	36	889,6	6476,2	628,0	33	3586,3	11260,6	214
Change to S.V.R.	15	157,5	1753,3	1013,2	7	249,1	1138,0	357
Site Value	46	1512,8	15737,9	940,3	55	9420,2	40368,7	328
TOTAL	125	3324,7	29024,1	773,0	112	15891,8	59842,7	276,6

(100 increasing to 200 = 100% growth.)

Note: The average rate of growth over the two periods is very similar, i.e., if the growth were compounded for two ten-year periods as follows:  $276,6\% \times 276,6\% = 765\%$ , the equivalent twenty-year growth would be very close to the 773% for twenty years' growth in the 1959-1979 survey.

Based on the above results it was decided to look at a further category of the largest towns and cities, namely, those with a total valuation of over R200 million.

This produced even more startling results than the earlier survey.

Table 4 gives the result of this analysis:-

TABLE 4. TEN-YEAR GROWTH IN IMPROVEMENT VALUE  
(TOWNS OVER R200 MILLION TOTAL VALUE)

Present Rating System	No. of Towns	Improvement Value Rand Millions			Growth by Group
		1974	1984	Growth	
Flat	2	1411,9	4080,1	2668,2	189%
Composite	13	1856,8	7085,4	5228,6	282%
Site Value	33	5084,9	26084,9	21000,0	413%
TOTAL:	48	8353,6	37250,4	28896,8	345%

Note: These valuation figures cannot be compared directly with the totals given in Table 2, which were total value of land and improvements, whilst these are improvements only, i.e., excluding land or site values.

In this group of 48 towns, each with a total value of over R200 million, only the two ports of Cape Town and Port Elizabeth are still on flat rating. Apart from these two, no other towns in R.S.A. on flat rating have grown to this size.

It is interesting to note that, although Cape Town and Port Elizabeth, as large ports and one the legislative capital, should logically have kept pace with the average growth of major

towns; instead their percentage growth has been only just over half of the average and less than half of those on S.V.R.

### COMMENTS

1. Consider Table 3 in which the first, third and fifth sets of figures are for towns which stayed on one system of rating for the period 1979 to 1984. Of these three, the growth in total value for the ten years 1974 to 1984 was greatest for those on S.V.R. and least for those on Flat Rating.
2. The towns in the fourth set of figures, which changed to S.V.R., again showed the largest growth which was more than double the rate of growth on Flat Rating and 66% higher than category 3 on Composite Rating.
3. In the first survey conducted (1979), it was shown that 61,6% of the growth in total value took place in towns on S.V.R. This has now increased to 69,4% (not shown in present tables).
4. After the first survey was published in the S.A. Treasurer, there were several criticisms that the results were unreliable because of a major weakness in the relative Cape Ordinance which allows for updating the valuation roll on a ten-year basis. In addition, when new valuation rolls appear, they could be three years out of date. Since all figures compared in the first and second surveys (Table 3) cover a ten or twenty-year period, any lag in figures should average out. However, this second survey overlaps the first by five years and still shows the same trends.
5. The conclusions drawn from both surveys confirm the experience reported in similar surveys in U.S.A. and Australia, amongst other countries, namely, that:

Collecting rates or taxes on improvements or production discourages economic growth. Rates or taxes raised on unimproved value of land, or site value only, discourages land speculation and the withholding of land from use and instead encourages increased utilization of land and economic growth.

#### RECOMMENDATIONS GIVEN IN THE SECOND SURVEY

1. All towns presently on Site Value Rating should ensure that all councillors and appropriate officials are constantly aware of the benefits accruing from the system. If possible, S.V.R. should be entrenched into the system to prevent opportunism, individual greed or ignorance from negating the advantages currently enjoyed.
2. All towns on Composite Rating should become aware of the advantages to be gained by changing to S.V.R. as soon as possible.
3. All towns on Flat Rating should start a programme of education. They should study the disadvantages of their present system and the advantages to be gained by changing to S.V.R. At least as an intermediate step, they should change to Composite Rating.
4. Valuation Rolls should be updated at least every three years. Ten-year updating leads to economic injustice.
5. For those interested in understanding the effects of rating on economic growth, there is a wealth of information available and also courses on basic economics which consider the natural laws of economics.

For those interested in changing from Flat Rating towards S.V.R., there is a variety of professional advice available both

locally and overseas. There are also films, videos and a variety of journals, papers and text books on the subject.

The Association for Incentive Revenue Research was started with the specific object of studying information on the effects of both rating and taxation.

*THE ELDER MIRABEAU, WE ARE TOLD,  
RANKED THE PROPOSITION OF QUESNAY, TO  
SUBSTITUTE ONE SINGLE TAX ON RENT (THE  
IMPOT UNIQUE) FOR ALL OTHER TAXES, AS A  
DISCOVERY EQUAL IN UTILITY TO THE IN-  
VENTION OF WRITING OR THE SUBSTITU-  
TION OF THE USE OF MONEY FOR BARTER.  
Henry George.*



## CHAPTER FIFTEEN

# A HIGH-ROAD SOLUTION

Some fresh and very welcome new thinking has been introduced into the South African scene by Leon Louw and Frances Kendall in their book, "South Africa - The Solution".

This book could well become essential reading for politicians, councillors and all top government and civic employees. The early chapters should be read in conjunction with the historic book, "The Right to the Land" edited by T.R.H.Davenport and K.S.Hunt and published by David Philip Publishers.

Together these two books show the systematic rape of the early black farmer and small businessman and the erosion of his rights as a member of society. The once energetic and successful farmer is now regarded as naturally lazy and useless by nature. It would be a large step forward towards reconciliation and negotiation for a peaceful future for South Africa if the whites discovered the real culprit responsible for our present situation.

Over the years the school book historians have re-written early South African history to suit government policy, though not always with the approval of parliament. If the history of the whites can be constantly altered, how much more biased will be the history of the blacks? It is, therefore, quite refreshing to see this exposed in "The Solution".

The second major issue raised in this book is the aspect of over-regulation and government interference in all aspects of life and especially in economics and trade. This is well-recognised by an increasing number of South Africans, both black

and white, who have played a part in making "The Solution" a best seller. No real progress can be made until the voters as a whole start to object in a practical way to this over-regulation, for, as long as most still falsely believe that this over-regulation is in their own best interest, there can be little change.

Fear and self-interest lie behind the acceptance of government interference and the proliferation of laws and regulations. The main fears are of being over-run by the numerically superior blacks, of losing jobs to blacks, of being unfairly treated by capitalism or of being subject to communism.

Yet all these fears stem from the same source which is indirectly the result of a lack of both social and economic justice. Without justice there must always be an underdog and everyone is scared of being the underdog. However, the steps taken to give some people privileges at the expense of others have the opposite effect from that intended. The lack of justice and expropriation of land are the very reason for most of the fears. The rape of black land spoken of by Louw and Kendall has been the South African equivalent of the Land Enclosure Acts in England. These Enclosure Acts were the direct cause of abject poverty and child labour which was prevalent in U.K. at the time Karl Marx wrote the Communist Manifesto.

Such rape of black land and the poverty which resulted has been a major cause of the growth of communism among the blacks and the popularity of the A.N.C. It will, in time, justify the fears which lead to over-regulation in South Africa. But that over-regulation and bureaucracy, whilst appearing to give security to the whites, will, like U.D.I. in Southern Rhodesia, only postpone the day of reckoning and make it ten times worse.

Can there really be a solution in South Africa?

*Those who have studied the essence of the works of Adam Smith, David Ricardo and Henry George will have little doubt*

*that there can be a solution acceptable to all reasonably-minded persons. "The Solution" is a major step in the right direction in opening up avenues for discussion, providing hope of a willingness to sit around the negotiating table. However, in one respect the authors have stopped short of providing a workable solution and this is in the field of unemployment and poverty.*

*In general discussions the question has been asked: "What will prevent all the wealth from winding up in a few prosperous cantons and the poverty in others from becoming worse?"*

This is the essence of the economic problem throughout the First and Third worlds today. It is also a major problem in communistic states but, for the purpose of this exercise, let us stay with the South African problem and the proposed Canton System.

Another aspect raised in "The Solution" which should be considered is that people will vote with their feet, that is, they will move away from the areas that they do not like. This is a significant factor when considering economics, land ownership and marginal land. Millions of people throughout the world are continually voting with their feet mainly because of bad economic conditions arising from marginal and sub-marginal land. Many of them pay a high price and even risk their lives in order to vote with their feet in complete defiance of strict immigration laws and severe penalties. Typical examples are Mexicans being smuggled into U.S.A., Turks into Europe and Pakistanis into U.K. Squatters' camps around the world, particularly in Third World countries, are all examples of people voting with their feet in the hope that cities will provide a better chance of life than the poverty of sub-marginal areas.

Let us assume the adoption of the Canton System in the whole of South Africa, either including or excluding the independent national states. Some may be entirely or predominantly white or black. The actual number of cantons is not significant to this discussion. What is important though is to

see the spread of cantons in relation to the productivity curve of prime and marginal land as shown in Chapter 4. Some may be city or town states or cantons and others may be rural states or cantons. It is essential that the rural states do not become depopulated and the city states over-crowded.

### MIGRATION OF LABOUR

Areas such as Johannesburg, Cape Town, Pretoria, Durban, Port Elizabeth, East London and Pietermaritzburg contain most of South Africa's prime land although they also include medium and a small amount of less productive land. But many outlying areas have mainly marginal and submarginal land on which only those who have some form of monopoly can hope to make a reasonable living and that at the expense of the rest of the local population who live in poverty.

*The people who live in poverty are the ones who vote with their feet by migrating to squatters' camps on the outskirts of areas containing prime land and economic wealth.* How can one hope to prevent those who live in poverty from flooding into squatters' camps on the outskirts of Johannesburg, Cape Town and Durban? Or those who live in even worse submarginal conditions in adjoining territories from illegally crossing the borders into South Africa?

It cannot be done except by a complete change in thinking, a compromise between apparent benefits and future real benefits, between present luxury and future security.

First of all, it would be necessary to accept that:

1. The earth is the common heritage of all men.
2. Each should be given equal opportunity to earn a living and to have access to land.
3. Society should grant access to land to those best able to put it to most productive use.

4. Those given the advantage of access/tenure to good land should pay society for the privilege by paying the market-determined annual Rent to the community in lieu of any other taxes.
5. Those who occupy marginal land should pay no tax of any kind and marginal land no Rent.
6. The society which enjoys the Rent from all prime land should defend and protect the right of tenure of those who pay the Rent.

In the absence of other taxes, the sum total of market-determined Rental of all land, excluding improvements, would exceed the sum total of present taxes. In practice, it should only be necessary to collect between 60% and 80% of the Rental value, depending on the nation's requirements.

For the purpose of this discussion, let us assume that approximately 50% of the annual land Rent was to be collected in the early stages. This could be obtained very easily by placing the market value as five years' Rent or the annual Rental value as 20% of the market value. The actual percentage collected by this formula would vary according to the prevailing interest rates and rate of inflation.

If a ratio of two-to-one were used, i.e., market value equals two years' Rent, then the return to the community would increase to approximately 80% of the country's total natural Rent. The remaining 20% would still provide a large incentive for the most competent entrepreneurs to occupy the best prime land. The least efficient people would be very happy on marginal land where everything that they produced was their own and where they paid no tax. There would be a natural movement of pensioners, handicapped and less productive people towards marginal land where the cost of living would be very low.

*Were this system to be introduced, there would be little need for the government to impose restrictions on the movement of people*

*or to provide subsidies to encourage business and industry to decentralize. Squatting would be reduced, if not eliminated.*

Naturally this would cause other problems relating to recent purchases and existing bonds which would have to be cleared. However, set against increasing land rental values arising from the economic growth of the country, very soon existing debts would pale into insignificance so that economic injustice during the transition period need not occur. This can be dealt with separately from this present discussion. As an interim measure, it might be necessary to offset loan repayments on land only against a portion of the Rent to be collected.

If the revenue collected increased to say 80% of the annual Rental value of all land throughout the country, this total budget could then be distributed in such a manner that it would meet the total revenue needs of the entire population. For the purpose of this discussion and to clarify the concept, hypothetical values are given. The final distribution would form part of the total package to be negotiated for both the political and economic settlement. This would need to be reviewed on an annual basis during the first few years.

The suggested distribution would be as follows:-

1. Central Government - to cover security of the country by means of armed forces, law and order in the form of police and lawcourts, plus minimal central government legislation and foreign affairs, etc., as also major roads, railways, harbours and international airports:- 33,3%
2. Canton and municipal government - to include education, health and local infrastructure necessary to develop the economy of the canton as a direct pro rata of the amount collected in Rent from each canton:- 33,3%
3. A secondary distribution to cantons for social security, pensions, frail care, adult education, etc.,

in direct proportion to the total number of people  
resident in each canton:- 33,3%

The per capita distribution of one third of the total budget is an essential part of the final solution and necessary to bring about a redistribution of the natural wealth of the nation without destroying the means of production.

Collecting the annual Rent on land and a redistribution of one third of it per head of capita across the whole nation is the only way in which almost all bureaucratic controls can be removed and a truly free market economy established. This could be given free reign without the fear of capitalists exploiting the masses and without the fear of monopolies gaining strength. This should reduce the tendency of capital and land to collect into fewer and fewer hands and give people the incentive to develop to their full capacity. Progress should no longer lead to greater poverty.

The above method of taxation and distribution should provide a solution to the economic problem inherent in the suggested canton system. *It would also remove the need felt by communists and the A.N.C. to completely destroy capitalism and the bourgeoisie.* There is no need to hand over government to an unqualified and economically ignorant proletariat as proposed by Karl Marx and practised with disastrous results by communist states.

Submarginal cantons, far from becoming depopulated by mass migration to prime cantons, could attract a net inflow of people to economically viable retirement centres. Land, buildings, labour and services would be relatively inexpensive. Educational facilities, training colleges, frail care and special hospitals would be better placed in these less congested areas. They would be away from the smog and pollution of industrial and mining areas. The dying infrastructure of many platteland areas could well take on new growth. Employment opportunities could be offered to those presently living under ad-

verse conditions in squatters' camps which are a major threat to both those who live in them and the surrounding cities and towns.

These proposals are in contrast to some of the economic proposals given in "The Solution", one of which, however, should be fully endorsed and that is that central government should have no power to tax citizens directly. Government would have to be made to tailor its budget to fit within the one third of total Rent collected. In good years, provision could be made for national emergencies. Central Government would also handle the statistics of redistribution of one third on a per capita basis to cantons but charge no handling fee; there should be no encouragement to proliferate bureaucracy.

Central government would not be encouraged to impose any form of tariffs or customs on international trade. In due course, protective tariffs would become unnecessary. As production increased, the cost of production would decrease. The country would be better prepared to enter the export market and would need to import at minimum cost.

Collecting tolls on national roads would also be completely unnecessary as the presence of these roads would automatically increase the annual Rental value of all property which gained an advantage from these roads. (See chapter 13, Home and Transport.)

Raising revenue for central government from cantons on a per capita basis at the suggested R 100 per head per annum would be completely counter-productive. This would be worse than the iniquitous Hut tax or Poll tax introduced by British governments to force people off the land and into mining or other cash employment. Such a tax today would swell the squatters' camps.

Once all other forms of taxation had been removed, the Rental value of land would increase significantly and the total

revenue collected could well be higher than required. A portion of this excess could be used to give a variety of desirable incentives. Of particular interest would be an incentive to encourage individual ownership of farms, business and industrial or domestic property. This could be achieved by giving a base line rebate to all who owned, lived on and worked farms or owned and worked industrial sites, or owned and lived on residential land. Only one rebate on annual Rent would be given per family. This would help to create a stable society at very little cost. Rental values would again adjust to absorb most of the economic advantage while still discouraging the growth of monopolies at the expense of private enterprise.

The system of a base line rebate would mean that those people occupying land near the margin of production would pay no Rent. However, the land would still have a small Rental and market value.

Land beyond the margin, by definition, is not workable on a continuous basis under present conditions. With the proposed system and a base-line rebate much of this land would become productive or at least be occupied. In the absence of a Rental value, the full rebate would become a subsidy payable in cash to the occupier. This would encourage the sick, lame and aged to move away from prime and good land and settle on submarginal land where they would not be condemned to live in poverty.

*It is in the interest of the whole nation that incompetent and unproductive people should not withhold good land from productive use. Land should be available to those best able to put it to good use. It is in the best self-interest of the more competent and productive people that the Rent value of the land on which they enjoy tenure should help to subsidize the sick, lame and aged. This would assist them to live above the bread line on the less productive marginal and submarginal land. This is far better than having them completely unproductive and fully reliant*

on society, either legally or illegally. An informal economy could be developed on marginal land but to collect any form of taxation from those on marginal land is to destroy that informal economy.

Several points raised in "South Africa, The Solution" are given support by the summary in Clem Sunter's book, "The World and South Africa in the 1990s". This is also essential reading for those who are concerned with the future of South Africa. It is also relevant, to a large degree, to most countries.

In chapter 6, Clem Sunter gives a summary of the South African Political Scenario as follows:

#### HIGH ROAD

- Minimal Sanctions
- Small Government
- Decentralised power
- Joint Negotiation and Synergy
- ?

#### LOW ROAD

- Increasing Sanctions
- Controlled Economy
- Centralised Government
- Eventual Confrontation and Conflict

#### CAUTIONARY TALE

- Fortress South Africa

Many well-known authors and leaders have been concerned by the age-old problem of poverty but few have provided a

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workable solution. Perhaps out of the suggestions contained in the books already discussed may be found a true solution or part of the solution. For instance:

ADD ONE MORE POINT TO THE ABOVE  
HIGH ROAD, NAMELY, CORRECT  
TAXATION, AND THERE COULD REALLY  
BE A HIGH ROAD SOLUTION FOR ALL  
THE PEOPLE OF SOUTH AFRICA.



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## CHAPTER SIXTEEN

# IS SOCIAL SECURITY A CRIME AGAINST MANHOOD?

Man has a basic need to work in order to develop his talents and fulfil his ambitions. This applies to men, women and children. Everyone needs to feel that he plays some useful part in society and that he contributes in some way to the wellbeing of that society. Deprive anyone of that opportunity and he loses one of the most valuable things in life. Deprive him of the opportunity to work on a continuous basis and his life has no purpose.

A wise man once said that when a man is hungry, instead of being given a fish, he should be taught how to fish. In that way he need never be hungry again but, more important, he is able to grow in dignity and stature.

Most people are, if not gregarious, certainly social creatures by nature and require acceptance by society. Even if a man prefers solitude, it is still important for him to feel accepted by a reasonable section of society. Deep down in his being he can only feel important in relation to his own contribution to others. Therefore, when an unemployed man cannot support himself or his family, he begins to feel useless, unwanted and even rejected by society. Initially the impact is greater on the man than on his family. Sometimes the wife is able to ease the situation and may play a more important role than before. Even as wife and family start to suffer hardship, however, they would not feel the same sense of frustration and rejection as the husband.

Nevertheless, if unemployment and lack of income continue for a long period, the whole family loses its dignity and becomes isolated from the society at large. This can become the turning point and, before the decline becomes irreversible, it is essential that the man be given the opportunity to work again, no matter what the job. His dignity and that of his family need to be restored so that they can again feel fully accepted into society.

A bank account provides a good analogy for a man's dignity. When consistently more is put in than is taken out, an account becomes very healthy. However, with regular withdrawals and nothing returned, the account is soon overdrawn and the account holder in trouble. If there is no prospect of ever correcting the situation, there is a strong chance of destroying the person. Is that not a fact of life?

A trade union leader, discussing man's need and right to work, described a very interesting case with which he was dealing at the time. Some years earlier, a young railway worker in South Africa had been caught between two trucks and had lost the lower half of his body. As a result, he suffered great pain and trauma and had to adapt to a very difficult life style. He was given a pension and every possible assistance so that he and his family would not live in need. He was visited on a regular basis by the trade unionist who remarked: *"In spite of all his loss of bodily functions and loss of normal family life, he never complained except for one regret; he regretted more than anything that he would never again be able to work and play a useful part in society, to have the dignity of providing for himself and family"*.

Politicians and economists continue to make ridiculous statements to the effect that unemployment is inevitable in a modern society. Socialists and so-called humanitarians make use of this myth to persuade governments to provide social security at so very high a level of basic wages that men are encouraged not to work. They will use every angle to get some

additional form of assistance because the system actually encourages such laziness and deceit.

Some years ago a milkman in London informed customers whom he had happily served for many years that he was leaving the job and, on enquiry, he revealed that he could no longer afford to continue working. The fact was that, with four children, his total package of social security and family benefits was more than he could earn by simply working. He regretted having to give up his round on which he had many friends and felt that he had played a useful role but, economically, he had no option!

Social security is often as high as ninety percent of basic wages, apart from other perks. This means that those working full time for full pay are actually only getting an additional ten percent for working. No wonder that both morale and discipline are very low.

In New York some years ago, two policemen, called out to a fourth floor apartment in a semi-slum area, made a very interesting and pertinent observation to explain the scene. A woman claimed to have been beaten up by her boy friend who, although not married to her, was father of her six children. As an unmarried mother, the woman received all sorts of social benefits. She received a housing allowance, assistance for her six children, free medical aid and many other privileges sufficient to support the family. Because it was not necessary for the father of the children to provide home, schooling or medical requirements, it was also not necessary for him to have fixed employment. This meant that he could take a variety of short-term cash jobs which paid more and did not draw the attention of the tax man.

This situation is very common and, collectively, has a particularly bad effect on the community, apart from the direct financial burden on tax payers. Collectively, this semi-literate, morally degraded family has a very substantial spending

power, far above that of the ordinary respectable and educated family. *This undirected spending power has a marked effect on the market for entertainment, TV and radio advertising, records, junk literature and pornography, to mention but a few outlets. This is like a millstone dragging society down into a cultural quagmire.*

In England and parts of Europe, there are families which, into the second and even third generations, are still living on the dole. There are some men who have virtually never worked. Many spend their days in the pub. Morally they have sunk so low that they believe that society owes them a living and that they owe nothing in return. Is this truly the purpose of social security? Meanwhile, those who work and pay taxes carry an ever-increasing burden because of these anti-social layabouts.

The real problem goes very much deeper than meets the eye. Because these people sponge on society, initially because of circumstances but later by choice, not only do they incur a monetary debt to society but also a moral and spiritual debt.

Even those genuinely unable to take care of themselves should be given some chance of contributing to the overall welfare of society. There is usually something that invalids can do even if it is only to take messages or observe and report.

Children form a special category. No child should be without some duties to the family or community. The most unhappy children are those who have no active part to play and are never called upon to help others.

*There is only one answer to unemployment and that is employment.* No country or society is so well-off or well-organized that it has nothing for people to do. No country or society can claim that it has no work to be done in maintaining the infrastructure or the national wealth or heritage. In even the most advanced societies, there are churches and cathedrals,

castles and forts, and scenic and historical attractions in need of much more care than they receive. The first thing that greets a visitor to a cathedral is a large money box, two metres long, beside a very graphic restoration plan, usually one third done and awaiting charity for the next stage. This is just one of so many examples which could be given.

On a visit to London, it was observed that many sites where buildings were demolished during the war were still undeveloped and unused. To the suggestion that these should be turned into parks to get children off the streets, the reply was that they belonged to someone (who, incidentally, had contributed nothing to society in the form of rates because of an archaic form of rating). Also, who would do the work? At that stage there were approximately 300 000 people in London on the dole, that is, being paid by society to do nothing!

Would it not be logical for society to pay a man the extra amount to give him a full wage and have him work for the benefit of society? *Man has a right and a duty to work in order to support himself and family. He does not have any right to subsistence in lieu of work and at the expense of the community.* In the Second Epistle of Paul, the Apostle, to the Thessalonians, Chapter 3, verse 10, it is stated: "...this we commanded you, that if any would not work, neither should he eat".

In summary, social security, in its present form, can have a powerful effect on the quality of a nation and its people. In some cases it may even be considered as a crime against manhood and should be seriously re-examined.

### MINIMUM WAGES AND UNEMPLOYMENT

Another popular misconception is that minimum wage regulations help people at the bottom end of the economic

strata, but this can be shown to be a complete fallacy and a further crime against the poor.

*When a minimum wage is enforced, it prevents those who do not have the skill or ability to justify that minimum wage from ever being employed.* If an unemployed man were allowed to take a job at even half the minimum wage, he would soon gain the skill to earn more. Within a year or two, he would be worthy of the minimum wage and, in a free economy, would soon demand it. A minimum wage can easily prevent many people from entering the job-market; it can condemn them to a life of unemployment and frustration. Is this really what the legislators intend, or is it done in ignorance?

Both the public and legislators should be very circumspect about the long-term consequences of any proposed legislation.

LEGISLATION CAN EXACERBATE RATHER  
THAN ALLEVIATE A PROBLEM. THE CURE IS  
OFTEN WORSE THAN THE ORIGINAL  
SYMPTOM

Notes:



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## CHAPTER SEVENTEEN

# RELIGION AND POLITICS

"Ministers and the churches should keep out of politics !" This is a statement often heard spoken by 'religious' people, and uttered with strong conviction and feeling.

"Religion and politics don't mix!"

"Archbishop Tutu should keep to Christianity and leave running the country to the politicians!" But is it right?

Not only Christians but most who pay homage to the Creator must have a biased seesaw in their minds with justice on the one end and self-interest on the other. Through lack of balanced information brought about by media disinformation and lack of interest, many believe that justice is in direct conflict with their own self-interest. Many have lulled to sleep the voice of conscience and some are even violently antagonistic to any who would try to rouse their conscience from its torpor.

However, there are some, both black and white, who have an awareness and a wider appreciation of our present situation and pending problems - problems which could affect both quality of life and life itself for a wide cross-section of the population. These selective few have a fine equilibrium between justice and long term self-interest. They are frequently men of the cloth and social workers or administrators. Through their ministry and by their work, they are brought into close contact with economic and social injustice, particularly in the marginal areas amongst squatters' camps and slums. These are often the men and women whose voices are raised in warning - warning of serious unemployment, poverty, malnutrition and starvation. They warn of impending loss of life

and the violence which history has shown could erupt. These voices are not the cause of the imminent storm but only a reasonable forecast.

The question is: "Should these ministers and religious leaders play any part in political and economic thought?" and the counter question is: "How can they, with their knowledge and mission, keep out of it?"

To examine this problem, it is necessary to consider the difference between evangelism and ministry or mission.

By definition, evangelism is the preaching or promulgation of the Gospel, or the faith of the Gospel, whilst ministry is the action of ministering; the rendering of service (now only in religious use).

Evangelism takes the teachings of the Bible and the words of Christ to the people, just as visiting evangelists do when they hold mass rallies.

Ministry is a much wider concept which looks at the total man. It considers his needs, which must be met before he will be receptive to the religious teachings and commandments.

Ministry includes evangelism as its main function but also, of necessity, looks at a society's economic and social conditions. Ministry is not of necessity limited to the Christian faith but, in its broader sense, applies to any who would bring men to an acceptance of the living God.

How will starving people, whose main concern is food, be persuaded to divert their attention to the Word, when their main concern is for body rather than mind and spirit? And even when their immediate physical needs are temporarily satisfied, can they really accept a loving God whom, they believe, has chosen them for a life of poverty whilst others live in wealth and luxury?

Can ministers or missionaries, covering large areas of economically marginal and submarginal sectors of the land, effectively minister to those who, through poverty and lack of opportunity, are uneducated and often illiterate, communicating only in their limited local dialect?

It is hard to see how a minister can cater for the spiritual needs of his congregation without also looking at the total development of body, mind and soul. Therefore, how can he turn a blind eye to social and economic injustice and expect his flock to blindly follow his spiritual guidance?

In time, many who are now condemned, like Archbishop Tutu, could well play an important part in the cause of peace and justice. Who should have the moral right to talk out against poverty and injustice if not the clergy? Unfortunately, the direction it takes can often hamper rather than help peaceful change in South Africa and, for this reason, it can be used as a tool by those desiring revolution.

Although prevailing conditions gave the impression that the churches were giving strength to Land Enclosure and the ruthless exploitation of children, as well as adult labour, leaders of the church in England and Western Europe were actually ineffectual against the economic injustice which led to the growth of Marxism and communism.

Likewise, it is beyond the bounds of understanding that the Roman Catholic Church has condoned by its silence the exploitation of the masses in South America where almost all are Catholics. The question has been asked whether the Church gives tacit support to the practice of monopoly by land barons because these are the main financial support of the church. Is this not the same as the support by landlords of universities in the Western World which has made it taboo for these bodies to really study and speak out on Land Enclosure and the real causes of poverty and unemployment?

It is also commonly believed that some churches in South Africa have given support to the Apartheid system. Others, in the past, have condoned, by silence, organized Aborigine Hunts in Australia or the near extermination of Red Indians in U.S.A.

For the future physical, mental and spiritual well being of a whole nation, can the leaders of religion divorce themselves from economics and poverty?

Before final conclusions are drawn, it is suggested that the reader studies the address given by Rev. Dr. Khoza Mgojo to the Conference of Methodist Churches of S.A. at Benoni and published in part in the Christian Forum, Christmas 1987. This article is reproduced in Appendix F, but attention is drawn to a few significant points.

The Reverend starts by quoting a spokesman for one of the liberation movements in Lusaka:

*"Go anywhere in Southern Africa today and, if you have ears to hear, you will not miss the pitiful cries of the bereaved. You will not (fail to) see the motherless children nor the mothers and fathers whose offspring has ceased to be, mangled into a bloody pulp by the merciless machine of military conflict.*

*"I would wish to believe that none of us here do not see the need for change. We all know that South Africa has moved away from God's dream.*

*"Our people are shackled in one way or another. The sin of the land is a source of a major paralysis for many.*

*"The sin of the land has given birth to two types of people:*

" \* WHITE PEOPLE

*"These are the people with a political advantage. Some people would call them oppressors. They represent the monopoly of wealth.*

*"We are talking about a people who are overcome by a sense of helplessness to change what they themselves have created. We are talking about an insecure people fearing the backlash resulting from their actions.*

### *" \* BLACK PEOPLE*

*"Here are the people yearning and struggling to be liberated from political disadvantage - from extreme poverty, unemployment, lack of housing, malnutrition, extreme indigence and exploitation.*

*"From the fury of the violent structures unleashed on them in South Africa.*

*"From the depths of depression that make them turn on themselves - tearing themselves apart as seen in necklacing.*

*"A people with a developing sense of despair that covers them every time they try to look for a positive way out of their dilemma, and finally*

*"A people denied of an opportunity to play a role in setting their destiny."*

Dr.Mgojo continues by expressing a current question:

*"How can the church help liberation to happen in this state of affairs in our land?*

*"Before anything can be achieved, the church must face squarely the land issue. To talk about reconciliation before this issue has been dealt with is a farce. Until this has been settled, there shall be no peace in South Africa,*

*in a country where 87% of fertile land is owned by a minority of white people and 13% of mostly arid, isolated land is given to the majority of people.*

*"For those people who say: Let us leave this to politicians and not involve the church in the political issues, I request to read their Bible with all seriousness. The story of Naboth's vineyard is a good example!*

*"When one takes another person's land through violence without his permission, he is a thief! There has been much of this thieving in South Africa and the church should address itself to this.*

*"The challenge that faces all of us is how to achieve justice, peace and reconciliation in our land in the shortest possible time.*

*"The question which faces the churches is: Can this situation be allowed to continue as it is?*

*"God's dream is commitment to justice - to take up the cause of the widow, the fatherless, the powerless and the prisoner.*

*"This community should be marked by a full life which finds its expression in:*

- \* An equitable distribution of land, possessions and power.*
- \* The elimination of poverty.*
- \* The presence of God .*
- \* Just Government, humanization, peace and truth.*

*"Let me in conclusion appeal to all of you:*

*South Africa is a very beautiful country - let us not spoil its beauty.*

*"It is a very big country - there is room for all of us.*

*"It is a supposed Christian country - let us all join in making it part of God's dream for our land."*

Very interesting words and reasoning from a well-educated man. Is Dr. Mgojo an instigator who should mind his own business or a man of understanding with a message of which we should take heed?

Compare the above with Karl Marx's words in respect of a similar situation which he encountered in Europe and England a hundred and fifty years ago when the churches did little to relieve the oppression of the poor.

*"Do you charge us with wanting to stop the exploitation of children by their parents? To this crime we plead guilty."*

*"United action, of the leading civilized countries at least, is one of the first conditions for the emancipation of the proletariat."*

*"In proportion as the exploitation of one individual by another is put an end to, the exploitation of one nation by another will also be put an end to. In proportion as the antagonism between classes within the nation vanishes, the hostility of one nation to another will come to an end."*

*"The charges against communism made from a religious, a philosophical, and generally, from an ideological stand point, are not deserving of serious examination."*

*"When people speak of ideas that revolutionize society, they do but express the fact that, within the old society, the elements of a new one have been created, and that the dissolution of the old ideas keep even pace with the dissolution of the old conditions of existence."*

*"When the ancient world was in its last throes, the ancient religions were overcome by Christianity. When Christian ideas succumbed in the 18th century to rationalist ideas, feudal society fought its death battle with the then revolutionary bourgeoisie. The ideas of religious liberty and freedom of con-*

science merely gave expression to the sway of free competition within the domain of knowledge.

"'Undoubtedly', it will be said, 'religious, moral, philosophical and judicial ideas have been modified in the course of historical development. But religion, morality, philosophy, political science, and law, constantly survive this change.

"There are, besides, eternal truths, such as freedom, justice, etc., that are common to all states of society. But communism abolishes eternal truths, it abolishes all religion, and all morality, instead of constituting them on a new basis; it therefore acts in contradiction to all past historical experience.

"What does this accusation reduce itself to? The history of all past society has consisted in the development of class antagonisms; antagonisms that assumed different forms at different epochs.

"But whatever form they may have taken, one fact is common to all past ages, viz., the exploitation of one part of society by the other. No wonder, then, that the social conscienceness of past ages, despite all the multiplicity and variety it displays, moves within certain common forms, or general ideas, which cannot completely vanish except with the total disappearance of class antagonisms.

"The Communist revolution is the most radical rupture with traditional property relations; no wonder that its development involves the most radical rupture with traditional ideas.

"We have seen above that the first step in the revolution by the working class is to raise the proletariat to the position of ruling class, to win the battle of democracy.

"The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the State, i.e., of the proletariat organized as the ruling class; and to increase the total of productive forces as rapidly as possible."

Those were the words of Marx.

And so, because of the injustice which existed at the time, and the churches apparent placid acceptance of that social order, was spawned a Communism to engulf approximately half the population of the world. As for Christianity and religion as a whole, these have been considered a part of the previous social order which has to be destroyed along with property rights.

Should the churches still be complacent about the present social disorder?

#### CHURCHES IN A NEW SOCIAL ORDER

Having put forward a possible case for the churches to be involved in the establishment of social and economic justice, just what part can they play to achieve it?

Many leaders of religion have spoken out about poverty and discrimination and have condemned Apartheid as the major cause. Amongst others, of special note is the Reverend Peter Lee's book: "Poor Man, Rich Man". This could well be studied along with Prof. Robert Andelson's: "Imputed Rights"

Quoting from "Poor Man, Rich Man":

*"He who oppresses the poor shows contempt for his Maker, but whoever is kind to the needy honours God."*

*"In the mouth of a righteous man is a subtle point made in prayer: Two things I ask of you, O Lord; do not refuse me before I die:*

*"Keep falsehood and lies far from me; give me neither poverty nor riches, but give me only my daily bread. Otherwise, I may have too much and disown you and say, "Who is the Lord?"*

*"Or I may become poor and steal, and so dishonour the name of my God."*

*"Materialism is rejected for it may stand between a man and his God. But poverty is dangerous for it too may lead a man away from God. .. Precisely one of the theological points in this(his) book is that there is no salvation in poverty, whether compulsory or via the 'simple lifestyle.' "*

Some ministers have been concerned with their flock of five hundred and showed little concern for the ideology which condemns millions to poverty. Do they by their silence condemn themselves?

It seems that the true position of the church should be to understand fully the laws of the Creator and how these should be related to everyday life. It would then be possible for it to interpret those laws into practical terms and teach them to the people. The people (in a democratic society) should, in turn, vote only for those who can be shown to understand those laws and whose prime concern would be to apply them in the interest of all.

The government is not there to create laws; this has already been done by God and nature. They are there only to contemporise those laws and translate them in practical terms so that they may be understood by all the people. In addition, the government must provide the right environment in which the people can both know and observe those basic laws, and, for those who do not do so voluntarily, to enforce them for the protection of society as a whole.

The issue of land tenure is raised in much of the Old and New Testament yet, with very few exceptions, this seems to have escaped even the most learned of theologians. The reason so few have raised their voices in support of true economic justice is because very few have understood the subtlety of the Jubilee Year.

Karl Marx gave the first step as abolition of property in land and the application of all Rents and land to public purposes.

Dr. Mgojo has said that, before anything could be achieved, the church would have to face squarely the land issue. In the USA, the Red Indians also see the land issue as essential to solving their present predicament. Some amazing court cases are in progress which could be awarded in favour of the Indians as having been unlawfully robbed of land which was traditionally theirs.

*However, the underlying theme of this book is that it would not be necessary to confiscate the land in order to bring about economic and social justice; it would only be necessary to collect the annual Rent of land and abolish all present forms of taxation.*

The owner of land might retain as much land as he wished and also be guaranteed security of tenure with the full co-operation of the nation provided he paid the stipulated portion of the annual Rent - the Rent to be established by free market conditions without any intervention by bureaucracy.

Michael Cassidy, in his book, "The Passing Summer", shows how the Broederbond, inaugurated in 1918, developed into a most effective think tank which, in time, tried to justify Apartheid using theology, and blending politics with religion. In time, it applied Apartheid in the name of Christianity. In spite of this, the fruits of Apartheid have been oppression and suffering, a far cry from the intention of the Ten Commandments or Christ's instruction, "*Thou shalt love thy neighbour as thyself!*"

Cassidy goes on to point out the necessity of both horizontal and vertical reconciliation which must take place between all people and between the individual and his Creator before conditions can improve in South Africa or in any other African country.

Is it not, therefore, essential that Christian Mission should include political and economic reform of laws and land tenure which are used as tools of oppression?

The churches need do nothing more than encourage the understanding of this aspect of economics and then put their full weight behind the proposals given as a solution in the previous chapters.

THUS DONE, OPPRESSION AND POVERTY  
WOULD RAPIDLY DISAPPEAR. THE  
CHURCHES COULD EASILY ACCOMPLISH  
THE BIBLICAL COMMAND: "THOU SHALT  
NOT OPPRESS THE POOR" AND THEN GET  
ON WITH THEIR MAIN PURPOSE OF EVAN-  
GELISM AND MINISTRY.

## RELIGION AND POLITICS

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Notes:

## CHAPTER EIGHTEEN

# THE PEOPLE OF SOUTH AFRICA

The present strife in South Africa seems to dominate public thinking and overshadows the true potential of this wonderful land and its variety of people. The policy of Apartheid with its emphasis on ethnicity has created chasms between people which are very hard to bridge. Because this separation goes against the nature of man, the subtle effect is far more destructive than might be recognized. The very word Apartheid at least to the English ear, connotes *apart* and *hatred*. This has been gradually instilled into the very core of the average South African, both white and black.

The outside world has gained a completely distorted impression of the average mood in South Africa. This is quite understandable when it is considered that the media highlights the negative and gives little attention to the goodwill still existing. What is lost sight of is the better nature of the people as a whole and the fact that there are great qualities within most.

Some historical factors should be taken into account when assessing the potential of this great country. These could be briefly summarized as follows:-

Few Afrikaans-speaking people do not have some Huguenot blood in them and, as a Volk, are basically God-fearing, kind and gentle. Working against this is the persecution which their forefathers suffered as a result of their faith and the hardship and poverty they experienced after arriving in South Africa. This has resulted in a fear that their language, culture and identity could be destroyed or swamped. If these could be safeguarded, the better nature of these basically religious

people would manifest in far more sensitivity to the similar needs and fears of others.

Most blacks are basically happy, easy-going and friendly people and, if it were not for these placid qualities, there would have been a revolt against the system long ago. Generations of subjugation, which was started in the Dutch and British colonial era, has lowered their morale to the point where it has left many of them with little hope of improving their lot in life. But, given hope, and something to strive for, it would take only one generation for most to be competing with the Whites in many fields. This is already becoming evident by the number of blacks who have made a success of life despite circumstances. It has been said that more blacks in RSA have privately-owned motorcars than do people in the Soviet Union.

*Unfortunately, Apartheid has emphasized the difference between races or ethnicity of tribes in RSA. and this has increased the tendency towards tribal friction and tribal fighting, aggravated still further by the 'male only' compound systems on the mines and by the ethnic schooling system in the black townships. With an improvement in the standard of living as envisaged in this book, together with a decrease in central government legislation, all people in RSA would soon learn to accept each other.*

English-speaking South Africans traditionally have a sense of fair play, justice and respect for law. They have never considered themselves as underdogs and have never really had their backs to the wall other than in the Anglo Boer war in which they were not defeated. As a result, the majority are either disinterested in politics or happy to leave others to sort out the difficult political situation. Even those who are concerned with the future of the country have little say because their votes are normally swamped. The majority are either actively Christian or at least pay lip service to those principles.

The Jewish people have traditionally played an important part in the development of the economy which is out of proportion to their numbers. Most are influenced to some extent by their history as partly expressed in the Old Testament. Whether observed or not, the Ten Commandments must act as an anchor in their relations with other people. Many of the Jewish families originated from Eastern Europe, the Balkan States or Russia. In spite of the repeated injunctions given to them that "thou shalt not oppress the poor", they themselves are no strangers to oppression and persecution. As a result, once they have established themselves economically, they tend to have more empathy with the underdog. Some of them may be very demanding and even hard taskmasters but basically do not consciously oppress others. As a group, they have played an important part in trying to bring about political change. Most look to a future for further generations in this wonderful country but are not prepared to undergo a repeat of Fascist suppression. Right wing movements tend to show signs of what they most fear, but those very movements would pay a high price if all Jews left the country with their capital and ability to produce wealth, apart from their cultural contribution.

The Moslem culture is based on the teachings of many of the prophets accepted by both Christian and Jew and they observe and practise very high ethical and moral standards. They have and will continue to play an active part in opening and developing the economy of the country.

The Portuguese community in South Africa, increased significantly by the influx of refugees from Mozambique and Angola, are predominantly Roman Catholic and tend to be governed by Christian principles. By their hard work they are able to contribute to the growth of the economy. Most in this community are determined to stay here.

Like the USA, South Africa has a wide variety of people from many parts of Europe and almost all parts of the world. They have all contributed to what South Africa is and have much to offer in ideas, culture and ability.

Over the years many blacks from neighbouring states have flocked to South Africa for employment, this in spite of Apartheid and pass laws. Hundreds of thousands have worked in the mines and on farms and tens of thousands have lived and worked illegally in White townships. Having become very much a part of the South African scene they, no doubt, will continue to be so irrespective of government efforts to prevent them from competing with local blacks for work.

Collectively, the people of South Africa have much to offer. Given the right direction and encouragement to pull together, they could be welded into a mighty nation:

**A NATION IN WHICH EACH MAY, BY FREE CHOICE, EXERCISE AND DEVELOP HIS FULL TALENTS AND CULTURE, A NATION IN WHICH ALL WILL HAVE EQUAL OPPORTUNITY AND WHERE THERE WILL BE RECOGNITION OF HUMAN RIGHTS UNDER THE LAW.**

Notes:



## CHAPTER NINETEEN

# A NATIONAL VISION FOR ALL

The greatest need in Southern Africa is a common goal towards which all might work and that common goal must be a great vision of a united South Africa fully accepted by all the people of Southern Africa and free from the fear of any culture, race or creed being swamped by the masses who may hold different ideas or religious beliefs.

The vision must be that all people will have equal opportunity and equal access to the factors of production and thereafter each one rewarded according to his own contribution of knowledge, skill and effort. *No one should expect or be allowed to reap reward without contribution to the overall production of wealth or the welfare of society.* This does not include those genuinely unable to care for themselves.

There are certain major steps necessary to create the climate in which such a vision might manifest itself. These have been discussed throughout this book but the important steps are summarised below, together with a suggested plan of action:

1. Apartheid having been totally dismantled, this should not prevent individuals from moving voluntarily in closed societies or townships, or belonging to exclusive clubs, should they so wish.
2. Individual rights - and not the group - should be given full protection of the law. Individual rights and opportunity should be protected irrespective of the individual's background.
3. Free market conditions should prevail with a bare minimum of regulations, permits and licensing. Controls should only relate to activities considered un-

desirable by the majority of society or by residents within a defined area. This would include protection of the ecology and pollution control.

4. A Canton system should be introduced with the majority of decisions being taken at local level. Central government should only deal with matters of a truly national nature. Cantons could be exclusive to one group, culture or religion, if so desired. These must not interfere with the interests of other cantons or the national interest. Others could be multiracial or have some exclusive residential areas, provided these are established under free market conditions.
5. Land reform should be looked at from two main aspects, namely legal and economic:
  - i. From a legal point of view, all Group Area Acts should be repealed on a national basis. Decisions of this nature should be made in individual business and residential areas by the local residents and property owners.
  - ii. The economic aspect of land reform should be based almost entirely on land Rent.
6. All persons should have equal access to the use of land, subject only to minimum regulations and the payment of Rent to the community.
  - i. The Rent to be paid should be an agreed portion of the annual Rent determined under free market conditions. This portion should be constant on a percentage basis for all parts of the country. It would be related to market value of the land only and exclude improvements.
  - ii. Annual Rental values of land should be made public and all offers to purchase or sell land registered. Offers would have to be in terms of annual Rent and not capitalized value. A sale agreement would grant to the seller two to four

times the annual Rent, as the case may be, for the land, plus the full assessed value of all improvements. The purchaser would also pay the tendered Rent to the community on an annual basis.

- iii. The current owner of land should be given a certain protection from the possibility of frivolous offers for his land. All offers would have to be irrevocable if accepted and subject to a penalty of one year's Rent as offered if not honoured by the prospective purchaser.
  - iv. Any bid for land which did not vary by more than ten percent above the prevailing Rental value might be rejected by the owner without its having any effect upon his annual Rent. Where a new Rental value in excess of ten percent above prevailing registered Rental value was offered, it would affect the market Rent. In this event, if the owner rejected the offer, then his future Rent would be fixed at 90% of the rejected offer. If the offer was accepted, then the new owner would have to pay the full amount offered. There should be no limitation to the number of offers made or rejected in any given period.
  - v. Through changing conditions, it would be possible for Rental values on some properties to come down. It would then be unreasonable to expect the owner to pay Rent at the old value. If a property was put on the market at a reduced value and there were no offers to purchase within, say, six months, then that reduced value should become the new Rental value.
7. Home ownership and the growth of small business should be encouraged by giving a base line subsidy to all owner-occupiers of residential and business or industrial land. A family unit should only receive one

such Rent subsidy in respect of housing and one in respect of a family business or industry on a separate property. In the case of a farm or business run from home, there should be only one subsidy. The amount should be the same for everyone, irrespective of the value of his property. This would take the place of the present individual or marriage rebate in personal income tax.

Some of the above points relate to the means of assessing and collecting Rent as revenue for the whole country. The following points relate to the distribution of that revenue:

- A. All present subsidies should be discontinued and replaced by only those discussed earlier in this book. All subsidies would relate to land usage only.

Subsidies should be granted to all owner-occupiers of residential or farming land, and a single subsidy to the owner of business or industrial land. Such subsidies should be the same for all and not be related to the size or value of the land. Subsidies should be actually paid out to those who occupy marginal or sub-marginal land. All subsidies should come out of the total revenue collected from Rent.

- B. Each canton should be allowed to retain one third of the net revenue collected from land Rent. Two thirds should be paid to central government. Of this amount, half should be used by central government for defence, law and order and national projects. (It would have to cut its cloth according to this income and have no legitimate claim for any more.)
- C. The final third of total revenue should be distributed to all the cantons pro-rata to the number of people living in each canton. This share should be used for education and training, health and hospitals, pensions and frail care, and a variety of other social functions. This is an essential part of the system to prevent the present flood of people from rural to urban areas. It

would also encourage pensioners, invalids and those unable to take care of themselves to vacate prime land and make it available to those who would put it to best use. It would help to promote the maximum production of wealth in the nation. It would encourage the best quality of life for the largest number of people.

*The above principles would have a very definite effect on the growth of private enterprise, small business and home ownership. They would also reduce unemployment to a minimal level. The market value of unused and undeveloped parcels of land would drop to realistic figures and come within the reach of those prepared to develop them. This would apply particularly to marginal land. The availability of marginal land at very low Rental figures would tend to stem the tide of migration to the cities and might even stop the growth of squatters' camps.*

A further step which would encourage people to return to rural areas, and relieve the pressure on the cities, relates to the adoption of the canton system proposed by Leon Louw and Frances Kendall. The number and size of cantons could vary significantly and could provide an easy system of meeting the particular needs and aspirations of various groups of people. Under this system those Afrikaners, such as the A.W.B., who wished to have a purely white state, might do so. If Indians, Blacks or even Portuguese wished to have their own state or residential area they would also be free to have one. But, in all cases, it would have to be done with free will and on a competitive free market basis.

This system could provide a viable alternative to Apartheid for those who favoured the latter but on a limited and free-will basis, without imposing it on any others.

In all cantons there would need to be the same entrenched laws of individual rights, freedom of movement in public places and observance of economic duties to the whole nation.

The Economic Manifesto should be considered in conjunction with a Bill of Human Rights and the Canton System. The complete package decided on should then be incorporated into an entrenched bill which could not be tampered with.

Once this had been done, it would not matter much what geographical location was selected for any particular exclusive community. Those who occupied the best land would provide most of the community's revenue; those who occupied the worst land would benefit from the subsidies.

THE RECOMMENDATIONS GIVEN IN THIS BOOK, AS SUMMARISED IN THIS FINAL CHAPTER, ARE CONSIDERED TO BE AN ESSENTIAL PART OF THE SOLUTION SO THAT THE QUALITY OF LIFE MAY IMPROVE FOR ALL:  
*THAT ALL MAY LIVE.*

Notes:



## CONCLUSION

South Africa has the gifts of nature, the people, the skills and the ability to become a great nation within twenty to thirty years, given the right direction. It could become a multi-cultural nation in which those now poor would live at a level of well-being in keeping with their individual contribution of skill and effort; a nation in which the physical, mental and spiritual needs of all would be well catered for; a nation in which all might develop their talents to the full.

South Africa has the ability to develop into an economic giant uplifting the standard of living, not only within its own borders but, through free trading and interchange of skills, in the whole of Southern Africa. It has the ability to become the centre of a much greater sub- continental confederation of nations where people might be judged only according to their ability and their contribution to the economy, to culture and to the development of the population as a whole.

Unfortunately, South Africa also has the ability, through misdirection, to become a third rate banana republic, a divided nation governed by strife and hatred, a Northern Ireland or a Lebanon. The hatred and strife bred by the Anglo-Boer war, and which still lingers today, is nothing compared to that which the right wing is capable of bringing about if given its way.

Until Apartheid is abandoned, South Africa must expect ever-increasing unemployment as the economy slumps and stagnates and ever-increasing violence and crime, already running rampant. Not only those who suffer economically under the system, but also those who benefit by it, will in time lose their freedom of movement and security. An ever-increasing portion of the dwindling national product will be diverted into security and defence. Both skill and capital will take flight.

The road South Africa takes will initially be decided by the Whites and the ballot box. Once the choice is made, it will become increasingly difficult to alter. However, the choice is not simply between left and right but between the "golden cord of reason" and idiotology, between reason and emotion. Let us as a nation distance ourselves from those who appeal to our emotions and give our support to those who are able to be reasonable.

King Solomon was one of the greatest, wealthiest and wisest kings ever; after a life in search of knowledge and wisdom, he had this to say:

*"The fear of the lord is the beginning of knowledge: but fools despise wisdom and instruction."* And again:

*"Let us hear the conclusion of the whole matter: Fear God, and keep His commandments: for this is the whole duty of man."*

*"For God shall bring every work into judgement, with every secret thing, whether it be good, or whether it be evil."*

The majority of South Africans have been in the land of Egypt for 40 years. Are we, as a nation, now about to turn our backs on the promised land through fear and lack of trust in God? Are we about to spend forty years in the wilderness - in complete isolation? Or are we prepared to show faith in the future, work together and turn South Africa into a promised land?

**BOTH THE EAST AND THE WEST, THE  
CAPITALIST AND THE COMMUNIST, FIRST OR  
THIRD WORLD - ALL HAVE ROOM FOR  
IMPROVEMENT! ALL COULD BENEFIT  
FROM THE GUIDE LINES TOWARDS A  
BETTER SOCIETY PRESENTED HEREIN . .  
. . . . THAT ALL MAY LIVE!**

Notes:



**APPENDIX A****UNIVERSAL DECLARATION OF  
HUMAN RIGHTS****PREAMBLE**

WHEREAS recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,

WHEREAS disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,

WHEREAS it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law,

WHEREAS it is essential to promote the development of friendly relations between nations,

WHEREAS the peoples of the United Nations have in the Charter reaffirmed their faith in fundamental human rights, in the dignity and worth of the human person and in the equal rights of men and women and have determined to promote social progress and better standards of life in larger freedom,

WHEAREAS Member States have pledged themselves to achieve, in co-operation with the United Nations, the promotion of universal respect for and observance of human rights and fundamental freedoms,

WHEREAS a common understanding of these rights and freedoms is of the greatest importance for the full realization of the pledge,

Now, therefore,

### THE GENERAL ASSEMBLY PROCLAIMS:

THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society, keeping this Declaration constantly in mind, shall strive by teaching and education to promote respect for these rights and freedoms and by progressive measures, national and international, to secure their universal and effective recognition and observance, both among the peoples of Member States themselves and among the peoples of territories under their jurisdiction.

#### ARTICLE 1

All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood.

#### ARTICLE 2

Everyone is entitled to all the rights and freedoms set forth in this Declaration, without distinction of any kind, such as race, colour, sex, language, religion, political or

other opinion, national or social origin, property, birth or other status.

Furthermore, no distinction shall be made on the basis of the political, jurisdictional or international status of the country or territory to which a person belongs, whether it be independent, trust, non-self-governing or under any other limitation of sovereignty.

#### ARTICLE 3

Everyone has the right to life, liberty and security of person.

#### ARTICLE 4

No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms.

#### ARTICLE 5

No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

#### ARTICLE 6

Everyone has the right to recognition everywhere as a person before the law.

#### ARTICLE 7

All are equal before the law and are entitled without any discrimination to equal protection of the law. All are entitled to equal protection against any discrimination in

violation of this Declaration and against any incitement to such discrimination.

#### ARTICLE 8

Everyone has the right to an effective remedy by the competent national tribunals for acts violating the fundamental rights granted him by the constitution or by law.

#### ARTICLE 9

No one shall be subjected to arbitrary arrest, detention or exile.

#### ARTICLE 10

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

#### ARTICLE 11

1. Everyone charged with a penal offence has the right to be presumed innocent until proved guilty according to law in a public trial at which he has had all the guarantees necessary for his defence.

2. No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offence was committed.

## ARTICLE 12

No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.

## ARTICLE 13

1. Everyone has the right to freedom of movement and residence within the borders of each state.
2. Everyone has the right to leave any country, including his own and to return to his country.

## ARTICLE 14

1. Everyone has the right to seek and to enjoy in other countries asylum from persecution.
2. The right may not be invoked in the case of prosecutions genuinely arising from non-political crimes or from acts contrary to the purposes and principles of the United Nations.

## ARTICLE 15

1. Everyone has the right to a nationality.
2. No one shall be arbitrarily deprived of his nationality nor denied the right to change his nationality.

## ARTICLE 16

1. Men and women of full age, without any limitation due to race, nationality or religion, have the right to marry and to found a family. They are entitled to equal rights as to marriage, during marriage and at its dissolution.
2. Marriage shall be entered into only with the free and full consent of the intending spouses.
3. The family is the natural and fundamental group unit of society and is entitled to protection by society and the state.

## ARTICLE 17

1. Everyone has the right to own property alone as well as in association with others.
2. No one shall be arbitrarily deprived of his property.

## ARTICLE 18

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

## ARTICLE 19

Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions

without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.

## ARTICLE. 20

1. Everyone has the right to freedom of peaceful assembly and association.
2. No one may be compelled to belong to an association.

## ARTICLE 21

1. Everyone has the right to take part in the government of his country, directly or through freely chosen representatives.
2. Everyone has the right of equal access to public service in his country.
3. The will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.

## ARTICLE 22

Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each state, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

## ARTICLE 23

1. Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment.
2. Everyone, without any discrimination, has the right to equal pay for equal work.
3. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
4. Everyone has the right to form and to join trade unions for the protection of his interest.

## ARTICLE 24

Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.

## ARTICLE 25

1. Everyone has the right to a standard of living adequate for the health and wellbeing of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.
2. Motherhood and childhood are entitled to special care and assistance. All children, whether born in or out of wedlock shall enjoy the same social protection.

## ARTICLE 26

1. Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit.
2. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace.
3. Parents have a prior right to choose the kind of education that shall be given to their children.

## ARTICLE 27

1. Everyone has the right freely to participate in the cultural life of the community, to enjoy the arts and to share in scientific advancement and its benefits.
2. Everyone has the right to the protection of the moral and material interest resulting from any scientific, literary or artistic production of which he is the author.

## ARTICLE 28

Everyone is entitled to a social and international order in which the rights and freedoms set forth in the Declaration can be fully realized.

## ARTICLE 29

1. Everyone has duties to the community in which alone the free and full development of his personality is possible.

2. In the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and the general welfare in a democratic society.

3. These rights and freedoms may in no case be exercised contrary to the purpose and principles of the United Nations.

## ARTICLE 30

Nothing in the Declaration may be interpreted as implying for any State, group or person any right to engage in any activity or to perform any act aimed at the destruction of any of the rights and freedoms set forth herein.

Notes:



## APPENDIX B

# THE COMMUNIST MANIFESTO (1848)

Although this is a short work of some forty pages, only a small portion of the commentary is given here, together with the ten points which form the heart of communism. The lead up to these points is given to place them in their rightful context, as follows:

"But let us have done with the bourgeois objections to communism.

We have seen above that the first step in the revolution by the working class is to raise the proletariat to the position of the ruling class, to win the battle of democracy.

The proletariat will use its political supremacy to wrest, by degrees, all capital from the bourgeoisie, to centralize all instruments of production in the hands of the state, i.e., of the proletariat organized as the ruling class; and to increase the total of productive forces as rapidly as possible.

Of course, in the beginning, this cannot be effected except by means of despotic inroads on the rights of property, and on the conditions of bourgeois production; by means of measures, therefore, which appear economically insufficient and untenable, but which, in the course of the movement, outstrip themselves, necessitate further inroads upon the old social order,

and are unavoidable as a means of entirely revolutionizing the mode of production.

These measures will of course be different in different countries.

Nevertheless, in most advanced countries, the following will be pretty generally applicable:

1. Abolition of property in land and application of all rents of land to public purposes.
2. A heavy progressive or graduated income tax.
3. Abolition of all rights of inheritance.
4. Confiscation of the property of all emigrants and rebels.
5. Centralisation of credit in the hands of the state, by means of a national bank with state capital and an exclusive monopoly.
6. Centralisation of the means of communication and transport in the hands of the state.
7. Extension of factories and instruments of production owned by the state; the bringing into cultivation of wastelands, and the improvement of the soil generally in accordance with a common plan.
8. Equal liability of all to labour. Establishment of industrial armies, especially for agriculture.
9. Combination of agriculture with manufacturing industries; gradual abolition of the distinction between town and country, by a more equitable distribution of the population over the country.
10. Free education for all children in public schools. Abolition of children's factory labour in its present form. Combination of education with industrial production.

When, in the course of development, class distinctions have disappeared, and all production has been con-

centrated in the whole nation, the public power will lose its political character. Political power, properly so called, is merely the organised power of one class for oppressing another. If the proletariat during its contest with the bourgeoisie is compelled, by the force of circumstances, to organize itself as a class, and, as such, sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms and of classes generally, and will thereby have abolished its own supremacy as a class.

In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association in which the free development of each is the condition for the free development of all."



**APPENDIX C****THE FREEDOM CHARTER (1955)**

As adopted at the Congress of the People on 26 June 1955

**"PREAMBLE**

We, the people of South Africa, declare for all our country and the world to know:

That South Africa belongs to all who live in it, black and white, and that no government can justly claim authority unless it is based on the will of the people;

That our people have been robbed of their birthright to land, liberty and peace by a form of government founded on injustice and inequality;

That our country will never be prosperous or free until all our people live in brotherhood, enjoy equal rights and opportunities;

That only a democratic state, based on the will of the people, can secure to all their birthright without distinction of colour, race, sex or belief;

And therefore, we the people of South Africa, black and white, together equals, countrymen and brothers adopt this FREEDOM CHARTER, and we pledge ourselves to strive together, sparing nothing of our strength and courage, until the democratic changes here set out have been won.

**"THE PEOPLE SHALL GOVERN!**

Every man and woman shall have the right to vote for and stand as a candidate for all bodies which make laws;

All the people shall be entitled to take part in the administration of the country;

The rights of the people shall be the same regardless of race, colour or sex;

All bodies of minority rule, advisory boards, councils and authorities shall be replaced by organs of self-government.

**"ALL NATIONAL GROUPS SHALL  
HAVE EQUAL RIGHTS!**

There shall be equal status in the bodies of state, in the courts and in the schools for all the national groups and races;

All national groups shall be protected by law against insult to their race and national pride;

All people shall have equal rights to use their own language and to develop their own folk culture and customs;

The preaching and practice of national, race or colour discrimination and contempt shall be a punishable crime;

All apartheid laws and practices shall be set aside.

**"THE PEOPLE SHALL SHARE IN THE  
COUNTRY'S WEALTH**

The national wealth of our country, the heritage of all South Africans, shall be restored to the people;

The mineral wealth beneath the soil, the banks and monopoly industry shall be transferred to the ownership of the people as a whole;

All other industries and trade shall be controlled to assist the well-being of the people;

All people shall have equal rights to trade where they choose, to manufacture and to enter all trades, crafts and professions.

**THE LAND SHALL BE SHARED  
AMONG THOSE WHO WORK IT!**

Restriction of land ownership on a racial basis shall be ended, and all the land re-divided amongst those who work it, to banish famine and hunger;

The state shall help the peasants with implements, seeds, tractors and dams to save the soil and assist the tillers;

Freedom of movement shall be guaranteed to all who work on the land;

All shall have the right to occupy land wherever they choose;

People shall not be robbed of their cattle, and forced labour and farm prisons shall be abolished.

**"ALL SHALL BE EQUAL BEFORE THE LAW!**

No one shall be imprisoned, deported or restricted without fair trial;

No one shall be condemned by the order of any Government official;

The courts shall be representative of all the people;

Imprisonment shall be only for serious crimes against the people, and shall aim at re-education, not vengeance;

The police force and army shall be open to all on an equal basis and shall be the helpers and protectors of the people;

All laws which discriminate on grounds of race, colour or belief shall be repealed.

**"ALL SHALL ENJOY HUMAN RIGHTS!**

The law shall guarantee to all their right to speak, to organise, to meet together, to publish, to preach, to worship and to educate their children;

The privacy of a house from police raids shall be protected by law;

All shall be free to travel without restriction from countryside to town, from province to province, and from South Africa abroad. Pass laws, permits and all other laws restricting these freedoms shall be abolished.

**"THERE SHALL BE WORK AND SECURITY!**

All who work shall be free to form trade unions, to elect their officers and to make agreements with their employers;

The state shall recognise the right and duty of all to work, and to draw full unemployment benefits;

Men and women of all races shall receive equal pay for equal work;

There shall be a forty-hour working week, a national minimum wage, paid leave and sick leave for all workers, and maternity leave on full pay for all working mothers;

Miners, domestic workers, farm workers and civil servants shall have the same rights as all others who work;

Child labour, compound labour, the tot system and contract labour shall be abolished.

**"THE DOORS OF LEARNING AND CULTURE SHALL BE OPENED!**

The government shall discover, develop and encourage national talent for enhancement of our cultural life;

All the cultural treasures of mankind shall be open to all, by free exchange of books, ideas and contact with other lands;

The aim of education shall be to teach the youth to love their people and their culture, to honour human brotherhood, liberty and peace;

Education shall be free, compulsory, universal and equal for all children;  
Higher education and technical training shall be opened to all by means of state allowances and scholarships awarded on the basis of merit;  
Adult illiteracy shall be ended by a mass state education plan;  
Teachers shall have all the rights of other citizens;  
The colour bar in cultural life, in sport and in education shall be abolished.

"THERE SHALL BE HOUSES, SECURITY AND COMFORT!

All people shall have the right to live where they choose, to be decently housed, and to bring up their families in comfort and security;  
Unused housing space to be made available to the people;  
Rent and prices shall be lowered, food plentiful and no one shall go hungry;  
A preventive health scheme shall be run by the state;  
Free medical care and hospitalisation shall be provided for all, with special care for mothers and young children;  
Slums shall be demolished and new suburbs built where all shall have transport, roads, lighting, playing fields, creches and social centres;  
The aged, the orphans, the disabled and the sick shall be cared for by the state;  
Rest, leisure and recreation shall be the right of all;  
Fenced locations and ghettos shall be abolished and laws which break up families shall be repealed.

**"THERE SHALL BE PEACE AND FRIENDSHIP!**

South Africa shall be a fully independent state, which respects the rights and sovereignty of all nations;

South Africa shall strive to maintain world peace and the settlement of all international disputes by negotiation, not war;

Peace and friendship among all people shall be secured by upholding the equal rights, opportunities and status of all;

The people of the protectorates, Basutoland, Bechuanaland and Swaziland shall be free to decide for themselves their own future;

The right of all the peoples of Africa to independence and self-government shall be recognized, and shall be the basis of close co-operation.

Let all who love their people and their country now say, as we say here:

**THESE FREEDOMS WE WILL FIGHT FOR,  
SIDE BY SIDE, THROUGHOUT OUR  
LIVES UNTIL WE HAVE WON OUR  
LIBERTY."**

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Notes:



## APPENDIX D

**BLACKSTONE'S COMMENTARIES ON THE LAWS OF ENGLAND (1765)****BOOK THE SECOND---CHAPTER THE FIRST  
OF PROPERTY, IN GENERAL (*jura rerum*)**

The former book of these commentaries having treated at large of the *jura personarum*, or such rights and duties as are annexed to the persons of men, the objects of our enquiry in this second book will be the *jura rerum*, or, those rights which a man may acquire in and to such external things as are unconnected with his person. These are what the writers on natural law title the rights of dominion, or property, concerning the nature and original of which I shall first premise a few observations, before I proceed to distribute and consider its several objects.

There is nothing which so generally strikes the imagination, and engages the affections of mankind, as the rights of property; or that sole and despotic dominion which one man claims and exercises over the external things of the world, in total exclusion of the right of any other individual in the universe. And yet there are very few that will give themselves the trouble to consider the original and foundation of this right. Pleased as we are with the possession, we seem afraid to look back to

the means by which it was acquired, as if fearful of some defect in our title; or at best we rest satisfied with the decision of the laws in our favour, without examining the reason or authority upon which those laws have been built. We think it enough that our title is derived by the grant of the former proprietor, by descent from our ancestors, or by the last will and testament of the dying owner; not caring to reflect that (accurately and strictly speaking) there is no foundation in nature or in natural law, why a set of words upon parchment should convey the dominion of land; why the son should have a right to exclude his fellow creatures from a determinate spot of ground, because his father had done so before him; or why the occupier of a particular field or of a jewel, when lying on his death-bed and no longer able to maintain possession, should be entitled to tell the rest of the world which of them should enjoy it after him. These enquiries, it must be owned, would be useless and even troublesome in common life. It is well if the mass of mankind will obey the laws when made, without scrutinizing too nicely into the reasons of making them. But, when law is to be considered not only as matter of practice, but also as a rational science, it cannot be improper or useless to examine more deeply the rudiments and grounds of these positive constitutions of society.

In the beginning of the world, we are informed by holy writ, the all-bountiful Creator gave to man "dominion over all the earth; and the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the earth". This is the only true and solid foundation of man's dominion over external things, whatever airy metaphysical notions may have been started by fanciful writers upon this subject. The earth, therefore, and all things therein, are the general property of all mankind, exclusive of other beings, from the immediate gift of the Creator. And, while the earth continued bare of inhabitants, it is reasonable to suppose that all was in common among

them, and that every one took from the public flock to his own use such things as his immediate necessities required.

These general notions of property were then sufficient to answer all the purposes of human life; and might perhaps still have answered them had it been possible for mankind to have remained in a state of *primaeval* simplicity: as may be collected from the manners of many American nations when first discovered by the Europeans; and from the ancient method of living among the first Europeans themselves, if we may credit either the memorials of them preserved in the golden age of the poets, or the uniform accounts given by historians of those times, wherein "*erant omnia communia et indivisa omnibus, veluti unum cunctis patrimonium esset*". Not that this communion of goods seems ever to have been applicable, even in the earliest ages, to ought but the substance of the thing; nor could be extended to the use of it. For, by the law of nature and reason, he who first began to use it, acquired therein a kind of transient property that lasted so long as he was using it, and no longer; or, to speak with greater precision, the right of possession continued for the same time only that the act of possession lasted. Thus the ground was in common, and no part of it was the permanent property of any man in particular; yet whoever was in the occupation of any determinate spot of it, for rest, for shade, or the like, acquired for the time a sort of ownership, from which it would have been unjust, and contrary to the law of nature, to have driven him by force; but the instant that he quitted the use of occupation of it another might seize it without injustice. Thus also a vine or tree might be said to be in common, as all men were equally entitled to its produce; and yet any private individual might gain the sole property of the fruit, which he had gathered for his own repast. A doctrine well illustrated by Cicero who compares the world to a great theatre, which is common to the public, and yet the place which any man has taken is for the time his own.

But when mankind increased in number, craft and ambition, it became necessary to entertain conceptions of more permanent dominion; and to appropriate to individuals not the immediate use only, but the very substance of the thing to be used. Otherwise innumerable tumults must have arisen, and the good order of the world been continually broken and disturbed, while a variety of persons were striving who should get the first occupation of the same thing, or disputing which of them had actually gained it. As human life also grew more and more refined, abundance of conveniences were devised to render it more easy, commodious, and agreeable; as habitations for shelter and safety, and raiment for warmth and decency. But no man would be at the trouble to provide either, so long as he had only an usufructuary property in them, which was to cease the instant that he quitted possession; . . . if, as soon as he walked out of his tent, or pulled off his garment, the next stranger who came by would have a right to inhabit the one, and to wear the other. In the case of habitations in particular, it was natural to observe that even the brute creation, to whom everything else was in common, maintained a kind of permanent property in their dwellings, especially for the protection of their young; that the birds of the air had nests, and the beasts of the field had caverns, the invasion of which they esteemed a very flagrant injustice, and would sacrifice their lives to preserve them. Hence a property was soon established in every man's house and home-stall: which seem to have been originally mere temporary huts or moveable cabins, suited to the design of providence for more speedily peopling the earth, and suited to the wandering life of their owners, before any extensive property in the soil or ground was established. And there can be no doubt but that moveables of every kind became sooner appropriated than the permanent substantial soil: partly because they were more susceptible of a long occupancy, which might be continued for months together without any sensible interruption, and at length by usage ripen into an

established right; but principally because few of them could be fit for use, till improved and meliorated by the bodily labour of the occupant; which bodily labour, bestowed upon any subject which before lay in common to all men, is universally allowed to give the fairest and most reasonable title to an exclusive property therein.

The article of food was a more immediate call, and therefore a more early consideration. Such as were not contented with the spontaneous product of the earth sought for a more solid refreshment in the flesh of beasts, which they obtained by hunting. But the frequent disappointments, incident to that method of provision, induced them to gather such animals as were of a more tame and sequacious nature; and to establish a permanent property in their flocks and herds in order to sustain themselves in a less precarious manner, partly by the milk of the dams, and partly by the flesh of the young. The support of these cattle made the article of water also a very important point. And therefore the book of Genesis (the most venerable monument of antiquity, considered merely with a view to history) will furnish us with frequent instances of violent contentions concerning wells; the exclusive property of which appears to have been established in the first digger or occupant, even in such places where the ground and herbage remained yet in common. Thus we find Abraham, who was but a sojourner, asserting his right to a well in the country of Abimilech, and exacting an oath for his security, "because he had digged that well". And Isaac, about ninety years afterwards, reclaimed this his father's property; and, after much contention with the Philistines, was suffered to enjoy it in peace.

All this while the soil and nature of the earth remained still in common as before, and open to every occupant: except in the neighbourhood of towns, where the necessity of a sole and exclusive property in lands (for the sake of agriculture) was

earlier felt, and therefore more readily complied with. Otherwise when the multitude of men and cattle had consumed every convenience on one foot of ground, it was deemed a natural right to seize upon and occupy such other lands as would more easily supply their necessities. This practice is still retained among the wild and uncultivated nations that have never been formed into civil states, like the Tartars and others in the East; where the climate itself, and the boundless extent of their territory, conspire to retain them still in the same state of vagrant liberty, which was universal in the earlier ages; and which Tacitus informs us continued among the Germans till the decline of the Roman Empire. We have also a striking example of the same kind in the history of Abraham and his nephew, Lot. When their joint substance became so great that pasture and other conveniences grew scarce, the natural consequence was that a strife arose between their servants; so that it was no longer practicable to dwell together. This contention Abraham thus endeavoured to compose: "Let there be no strife, I pray thee, between thee and me. Is not the whole land before thee? Separate thyself, I pray thee, from me. If thou wilt take the left hand, then I will go to the right; or if thou depart to the right hand, then I will go to the left". This plainly implies an acknowledged right, in either, to occupy whatever ground he pleased that was not pre-occupied by other tribes. And Lot lifted up his eyes, and beheld all the plain of Jordan, that it was well watered every where, even as the garden of the Lord. Then Lot chose him all the plain of Jordan, and journeyed east; and Abraham dwelt in the land of Canaan."

Upon the same principle was founded the right of migration or sending colonies to find new habitations, when the mother country was overcharged with inhabitants; which was practiced as well by the Phoenicians and Greeks, as the Germans, Scythians, and other northern people. And, so long as it was confined to the stocking and cultivation of desert uninhabited

countries, it kept strictly within the limits of the law of nature. But how far the seizing of countries already peopled, and driving out or massacring the innocent and defenceless natives, merely because they differed from their invaders in language, in religion, in customs, in government, or in colour; how far such a conduct was consonant to nature, to reason, or to Christianity, deserved well to be considered by those who have rendered their names immortal by thus civilizing mankind.

As the world by degrees grew more populous, it daily became more difficult to find out new spots to inhabit, without encroaching upon former occupants; and, by constantly occupying the same individual spot, the fruits of the earth were consumed, and its spotaneous produce destroyed, without any provision for a future supply or succession. It therefore became necessary to pursue some regular method of providing a constant subsistence; and this necessity produced, or at least promoted and encouraged, the art of agriculture. And the art of agriculture, by a regular connection and consequence, introduced and established the idea of a more permanent property in the soil than had hitherto been received and adopted. It was clear that the earth would not produce her fruits in sufficient quantities, without the assistance of tillage: but who would be at the pains of tilling it, if another might watch an opportunity to seize upon and enjoy the product of his industry, art, and labour? Had not therefore a separate property in lands, as well as moveables, been vested in some individuals, the world must have continued a forest, and men have been mere animals of prey; which, according to some philosophers, is the genuine state of nature. Whereas now, (so graciously has providence interwoven our duty and our happiness together) the result of this very necessity has been the enobling of the human species, by giving it opportunities of improving its rational faculties, as well as of exerting its natural. Necessity begat property; and in order to insure that property, recourse was had to civil society,

which brought along with it a long train of inseparable concomitants; states, government, laws, punishments, and the public exercise of religious duties. Thus connected together, it was found that a part only of society was sufficient to provide, by their manual labour, for the necessary subsistence of all; and leisure was given to others to cultivate the human mind, to invent useful arts, and to lay the foundations of science.

The only question remaining is, how this property became actually vested, or what it is that gave a man an exclusive right to retain in a permanent manner that specific land, which before belonged generally to everybody, but particularly to nobody. And, as we before observed, that occupancy gave the right to the temporary use of the soil, for it is agreed upon all hands that occupancy gave also the original right to the permanent property in the substance of the earth itself; which excludes every one else but the owner from the use of it. There is indeed some difference among the writers on natural law, concerning the reason why occupancy should convey this right, and invest one with this absolute property. Grotius and Puffendorf insisting that this right of occupancy is founded upon a tacit and implied assent of all mankind that the first occupant should become the owner, and Barbeyrac Titius, Mr. Locke and others, holding that there is no such implied assent, neither is it necessary that there should be, for that the very act of occupancy, alone, being a degree of bodily labour, is, from a principal of natural justice, without any consent or compact, sufficient of itself to gain a title. A dispute that favours too much of nice and scholastic refinement! However, both sides agree in this that occupancy is the thing by which the title was in fact originally gained; every man seizing to his own continued use such spots of ground as he found most agreeable to his own convenience, provided he found them unoccupied by any one else

Property, both in lands and moveables, being thus originally acquired by the first taker, which taking amounts to a declaration that he intends to appropriate the thing to his own use, it remains in him, by the principles of universal law, till such time as he does some other act which shews an intention to abandon it for then it becomes, naturally speaking, public juris once more, and is liable to be again appropriated by the next occupant. So if one is possessed of a jewel, and casts it into the sea or a public highway, this is such an express dereliction, that a property will be vested in the first fortunate finder that will seize it to his own use. But if he hides it privately in the earth, or other secret place, and it is discovered, the finder acquires no property therein; for the owner hath not by this act declared any intention to abandon it, but rather to the contrary: and if he loses or drops it by accident, it cannot be collected from thence, that he designed to quit the possession; and therefore in such case the property still remains in the loser, who may claim it again of the finder. And this, we may remember, is the doctrine of the law of England, with relation to treasure trove.

But this method of one man's abandoning his property, and another seizing the vacant possession, however well founded in theory, could not long subsist in fact. It was calculated merely for the rudiments of civil society, and necessarily ceased among the complicated interests and artificial refinements of polite and established governments. In these it was found that what became inconvenient or useless to one man was highly convenient and useful to another; who was ready to give in exchange for it some equivalent, that was equally desirable to the former proprietor. This mutual convenience introduced commercial traffic, and the reciprocal transfer of property by sale, grant or conveyance: which may be considered either as a continuance of the original possession which the first occupant had or as an abandoning of the thing by the present owner and an immediate successive occupancy of the same by

the new proprietor. The voluntary dereliction of the owner, and delivering the possession to another individual, amount to a transfer of the property; the proprietor declaring his intention no longer to occupy the thing himself, but that his own right of occupancy shall be vested in the new acquirer. Or, taken in the other light, if I agree to part with an acre of my land to Titius, the deed of conveyance is an evidence of my having abandoned the property, and Titius, being the only or first man acquainted with such my intention, immediately steps in and seizes the vacant possession: thus the content expressed by the conveyance gives Titius a good right against me; and possession or occupancy, confirms that right against all the world besides.

The most universal and effectual way of abandoning property is by the death of the occupant; when, both the actual possession and intention of keeping possession ceasing, the property which is founded upon such possession and intention, ought also to cease, of course. For, naturally speaking, the instant a man ceases to be, he ceases to have any dominion: else, if he had a right to dispose of his acquisitions one moment beyond his life, he would also have a right to direct their disposal for a million of ages after him; which would be highly absurd and inconvenient. All property must therefore cease upon death, considering men as absolute individuals, and unconnected with civil society: for then, by the principles before established, the next immediate occupant would acquire a right in all that the deceased possessed. But, as, under civilized governments which are calculated for the peace of mankind, such a constitution would be productive of endless disturbances, the universal law of almost every nation (which is a kind of secondary law of nature) has either given the dying person a power of continuing his property, by disposing of his possessions by will, or in case he neglects to dispose of it, or is not permitted to make any disposition at all, the municipal law of the country then steps in, and declares who shall be the

successor, representative or heir of the deceased; that is, who alone shall have right to enter upon this vacant possession, in order to avoid the confusion which its becoming again common would occasion. And further, in case no testament be permitted by the law, or none be made, and no heir can be found so qualified as the law requires, still, to prevent the robust title of occupancy from taking place, the doctrine of escheats is adopted in almost every country; whereby the sovereign of the state, and those who claim under his authority, are the ultimate heirs, and succeed to those inheritances, to which no other title can be formed.

The right of inheritance, or descent to the children and relations of the deceased, seems to have been allowed much earlier than the right of devising by testament. We are apt to conceive at first view that it has nature on its side; yet we often mistake for nature what we find established by long and inveterate custom. It is certainly a wise and effectual, but clearly a political, establishment; since the permanent right of property, vested in the ancestor himself, was no natural, but merely a civil, right. It is true that the transmission of one's possessions to posterity has an evident tendency to make a man a good citizen and a useful member of society: it sets the passions on the side of duty, and prompts a man to deserve well of the public, when he is sure that the reward of his services will not die with himself, but be transmitted to those with whom he is connected by the dearest and most tender affections. Yet, reasonable as this foundation of the right of inheritance may seem, it is probable that its immediate original arose not from speculations altogether so delicate and refined; and, if not from fortuitous circumstances, at least from a plainer and more simple principle."



## Appendix E

### ADDRESS GIVEN BY Rev. Dr. KHOZA MGOJO

The following was an address given to the Conference of Methodist Churches of S.A. at Benoni and published in part in the Christian Forum, Christmas 1987:

"I am reminded of a statement which was articulated very clearly by the spokesman of one of the liberation movements in Lusaka:

Go anywhere in Southern Africa today and, if you have ears to hear, you will not miss the pitiful cries of the bereaved. You will not (fail to) see the motherless children nor the mothers and fathers whose offspring have ceased to be, mangled into a bloody pulp by the merciless machine of military conflict.

"Do we really believe that the restoration of God's dream for this land can happen?

"I would wish to believe that none of us here do not see the need for change. We all know that South Africa has moved away from God's dream.

"Our people are shackled in one way or another. The sin of the land is a source of a major paralysis for many. We all seem to be locked up in our sin.

"The sin of the land has given birth to two types of people:

- WHITE PEOPLE

"These are the people with a political advantage. Some people would call them oppressors. They represent the monopoly of wealth.

"Here, we are talking about a people who are encapsulated in their exclusivistic ego-centrism - that of nationalism.

"We are speaking about people who have encapsulated themselves with misinformation - for example, through the press, their education system and in their superiority complex; people who are entrenched in racial prejudice.

"We are talking about a people who are overcome by a sense of helplessness to change what they themselves have created. We are talking about an insecure people fearing the backlash resulting from their actions.

- BLACK PEOPLE

"Here are the people yearning and struggling to be liberated from political disadvantage - from extreme poverty, unemployment, lack of housing, malnutrition, extreme indigence and exploitation.

"From the fury of the violent structures unleashed on them in South Africa.

"From the depths of depression that make them turn on themselves - tearing themselves apart, as seen in necklacing.

"A people with a strong sense of self-deprecation, emptying them of a desire to continually assert their dignity as God's children.

"A people with a developing sense of despair that covers them every time they try to look for a positive way out of their dilemma, and finally

"A people denied of an opportunity to play a role in setting their destiny.

"From this group you have people who are politically articulate and well educated but not allowed to vote; people who are treated as "psychological adults"- but "sociological adolescents"

"These are the people who have been unjustly impoverished and despoiled by the powerful.

"How can the church help liberation to happen in this state of affairs in our land?

"Before anything can be achieved, the church must face squarely the land issue. To talk about reconciliation before this issue has been dealt with is a farce. Until this has been settled, there shall be no peace in South Africa, in a country where 87% of fertile land is owned by a minority of white people and 13% of mostly arid, isolated land is given to the majority of people.

"For those people who say: Let us leave this to politicians and not involve the church in the political issues, I request to read their Bible with all seriousness. The story of Naboth's vineyard is a good example!

"When one takes another person's land through violence without his permission, one is a thief! There has been much of this thieving in South Africa and the church should address itself to this.

"The accumulation of wealth stolen from the powerless - their land, wages, food, houses, unjust administration of authority, degradation of the oppressed through violence, death, subjection, deception, lies and suffering, are some of the marks of injustice in South Africa.

"Some South African theologians like Professor Charles Villa-Vicencio, Dr. Itumeleng Mosala and others, have said out clearly that, in our situation in South Africa today, it would be

totally unchristian to plead for reconciliation and peace before the present injustices have been removed.

"Such theologians have been misunderstood by some people in the church to be saying that there is no need for reconciliation.

"Every Christian in his good mind cannot abdicate from his or her responsibility of exercising the ministry of reconciliation in a disjointed, chaotic world like ours. . .

"There are some people in South Africa who say that reconciliation should now be possible because the Botha government is doing something about the black people in its policy of reform!

"This dangerous way of politicking is very much supported by a majority of the white electorate - many of whom are still unenlightened. What they forget is that "reform by stealth" will not meet the needs of open minded South Africans - especially the oppressed!

"The challenge that faces all of us is how to achieve justice, peace and reconciliation in our land in the shortest possible time. It is about this question that there are some disputes among some white and black Christians.

"Some white Christians have consistently allied themselves with the present regime in calling the people involved in the liberation movements "terrorists" with whom they cannot connive.

"On the other hand, some black Christians are puzzled by this behaviour because the same Christians who condemn black violence allow their sons to accept conscription into the armed forces to support an increasingly militarized and brutal state.

"The pious admonitions about violence that are given to liberation movements and young black people are seen by

these as another example of finding a splinter in your brother's eye when there is a log in your own eye.

"At the present moment there is a bone of contention among the people, including the Christians: that there must be no talks with the liberation movements because they are seen as terrorists". When I study the Bible I find no justification for this kind of attitude.

"What the Christians in South Africa have failed to understand is that they have not worked out a convincing and solid alternative of a non-violent strategy which they can sell to the liberation movements. It is my wish and prayer that this Conference comes out with such a strategy.

"Churches have not shown great support for non-violent actions such as labour strikes, bus boycotts, sitting-downs, stayaways, consumer boycotts, non-co-operation with government appointed functionaries, defiance of segregation laws, etc.

"In fact, these non-violent strategies are now punishable by law under the state of emergency.

"What hope can the church then bring to the oppressed people?

"The church can no longer afford to confront the oppressed with the middle-class religion which makes it "an opiate for the people" in the doctrine of progress - a doctrine which does not deal with realities of social conflict.

"This is said to happen when the church attempts to persuade those suffering from injustice to patiently wait until their oppressors have learned how to be decent and unselfish.

"The question which faces the churches is: Can this situation be allowed to continue as it is?

"The churches cannot be neutral in such a situation. In a country like ours with false securities for a privileged group

and a developing sense of despair for the oppressed group, we need to radically present Christ as an alternative security and hope for our country.

"Our departments and societies in the church must now design projects that consciously seek to address these issues that captivate our people from the premise of God's love.

"This kind of love, we need to realize, can evoke much trouble if it is affirmed, lived, and attested.

"For it might involve teaching the high priority of non-violence to policemen - and the military establishment.

"In the name of Christ both at local and national level, we have to build resources to take the cause of the prisoner to the highest court in the land.

"God's dream is commitment to justice - to take up the cause of the widow, the fatherless, the powerless and the prisoner.

"The strategy that God has given to His people is a simple one - 'Live the life of the redeemed, the life of a new community'.

"This community should be marked by a full life which finds its expression in:

- An equitable distribution of land, possessions and power.
- The elimination of poverty.
- The presence of God .
- Just Government, humanization, peace and truth.

"Let me in conclusion appeal to all of you:

South Africa is a very beautiful country - let us not spoil its beauty.

"It is very big country - there is room for all of us.

"IT IS A SUPPOSEDLY CHRISTIAN  
COUNTRY- LET US ALL JOIN IN MAKING  
IT PART OF GOD'S DREAM FOR OUR  
LAND."



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# THAT ALL MAY LIVE

## Guidelines Towards a Better Society

Neither Marxism nor Capitalism having been able to meet the reasonable needs and desires of society, we now reach a point in history where the people of Southern Africa need to take a completely new look at the economic and social relationship between the various sectors of its society. That All May Live provides some entirely new thinking, well worth consideration and debate.

'The book Godfrey Dunkley has written, offering "guidelines towards a better society", is on the face of it about and for his homeland: South Africa, a nation whose popular image is unique. He has, however, accomplished more. Having gone at South Africa's human needs with a searching mind, he has built up in a score of short chapters, an understanding of social verities that transcend his own troubled country. "Unless Apartheid is abandoned", he acknowledges in the conclusion, "South Africa must inevitably become a nation hardly fit for anyone to live in". But woven into his book's pages there is a realization that the ultimate differences reach down deeper than superficial black or white. Until injustice in its every disguise is rooted out, he makes it eminently clear (in the diagrammatic clarity one should expect of an engineer), all of mankind falls tragically short of what our Creator surely intended.'

Richard Noyes; Editor, Common Ground USA and The Salem Globe. President, The International Union for Land Value Taxation and Free Trade and President, The Robert Schalkenbach Foundation.

*Godfrey Dunkley, whose family has been in South Africa for many generations, is an engineer by training and a Past President of the Institution of Certificated Mechanical and Electrical Engineers. His work and his extensive travelling have exposed him to a wide variety of both engineering and human experience. His love for economics has taken him to four international conferences in Europe and the USA.*

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