

SOUTH AFRICA UNDER THE HEEL OF LANDLORDISM

Rampant land speculation in South Africa by wealthy farmers and absentee landowners who are reported to be paying uneconomic rents and "fantastic" land prices in their manoeuvres to evade taxation is depopulating the platteland. This growth of *latifundia*, particularly in the Southern part of the Orange Free State where a decline in the rural population is most marked, is causing and accelerating soil erosion. Only the small farmer, using modern and intensive methods of cultivation, could resist the encroaching desert, but, tempted by "rocketing" land prices, he is selling out and going away to the towns. The young townsman who longs for a few acres to work on his own account finds land locked against him by high prices. Press cuttings for the last three months of 1953 sent by two of our correspondents in Johannesburg, Messrs. Mather Smith and Harry Levett show that these and other aspects of the land question are causing widespread concern in the Union and receiving considerable publicity.

Dr. Malan's Government is Concerned

Three Government Ministers have condemned land speculation. At Port Elizabeth, November 19, the PRIME MINISTER, DR. MALAN, told the Cape Nationalists' Congress that what South Africa needed was many small farmers and not land barons. He was replying to motions from several branches condemning wealthy farmers who bought up at inflated prices more farms than they could use. Dr. Malan said that the Government would have to investigate the whole position again. The last thing that was wanted was the "landlordism" that existed in Europe.

Opening the annual congress of the South African Agricultural Union in Cape Town, October 6, MR. LE ROUX, MINISTER OF AGRICULTURE, referred to the "immense" increase in land prices, which he admitted were due partly to speculation by both rich farmers and townsmen in an attempt to evade taxes. "To buy up land purely because it is a safe investment, or to buy more land than can be successfully worked, is not in the best interests of agriculture," he said. "It only drives land prices up, and those who are guilty of it are not only doing a disservice to the country but are artificially raising the cost structure of agriculture to the community. I think the time has come when our farmers should look a little more clearly into the future and make certain that the prices they pay take account of a possible recession in world economy." Two days later, at the same conference, MR. OLIVER, the Administrator of the Cape, deplored the depopulation of the platteland and expressed fears about the future of food production.

The MINISTER OF ECONOMIC AFFAIRS, MR. E. H. LOUW, when he opened the Congress of the Association of Chambers of Commerce in Port Elizabeth, said: "I would like to join with my colleague, the Minister of Agriculture, in warning against high and speculative prices that are being paid for farm property. It is obvious that over-capitalization must lead to a demand for higher prices for agricultural products, and thus contribute to a further increase in the general level of prices and the price structure of the Union." It was not without significance that in the period January to June, 1953, the retail index for foodstuffs had risen by 11.9 points while the figure for all other items, excluding rent and fuel, had dropped by 1.6 points. (*The Farmers' Weekly* report, November 4.)

While such speeches are welcome for the attention they focus on this grave problem, they are of little value unless

they are the prelude to sound legislation, but at the time of writing there is no indication that this may be forthcoming. Meanwhile Dr. Malan continues to refrain from appointing the long requested commission of inquiry into the land question.

Influential Organizations Protest

Among the organizations which have protested recently against land speculation in South Africa we notice the Natal Agricultural Union, the South African Trades and Labour Council and the Orange Free State Nationalist Congress.

The TRADES AND LABOUR COUNCIL at a special conference held in Johannesburg, August 14-15, resolved that "the Government be called upon to place a stringent tax on all unimproved land, held idle by speculators and farmers, and that land be given to landless farmers and that they be assisted by the provision of farming implements, seed, etc., in order to increase the production of the nation's food."

In September, the NATAL AGRICULTURAL UNION, meeting in Pietermaritzburg, discussed a land tax. MR. MEINTJIES set out the disadvantages of the present taxation system which tends to stifle production and encourage the acquisition of large tracts of land at uneconomic prices. As a remedy he advised some form of graduated land tax on large holdings, the tax increasing commensurately with the size of the holding.

At the ORANGE FREE STATE NATIONALIST CONGRESS in Bloemfontein, October 21, delegates advocated a land tax as the only way to stop "land capitalism" and the depopulation of the platteland. Rich farmers were said to be buying or hiring farm land to evade tax. A delegate from Hertzogville revealed that in his district there were at least twelve farmers who each bought ten farms a year out of their incomes. Congress decided to ask the Government to appoint a commission of inquiry into the question of big land holdings.

Land Barons' Power and Strategy

The latest and perhaps most significant of the cuttings before us is an article by the political correspondent of the Johannesburg *Sunday Times*, dated December 6. The previous day a former high official of the Department of Agriculture had shown the correspondent a Government White Paper compiled in December, 1943, that had "threatened the doom of the land barons." Entitled *Reconstruction of Agriculture*, one of its main recommendations had dealt with "the restriction of unbeneficial occupation of farm land." This former official gave two reasons why the White Paper recommendations had not been applied; first, because the land barons exert a power-

Land Baron Owned 440 Square Miles

Details of the estate of the late Andrew Meintjies Conroy, a South African Senator, have recently been published. He owned 23 farms, four of them covered 70,000 acres and the other 19 covered nearly 200,000 acres. It is estimated that at the time of his death the Senator owned 440 square miles of land.

The prices of initially over-valued land are being pushed up by such activities, making farming beyond the means of the low-income white groups while the native Africans are cooped up in "reserves" of poor land. For the African this results in a vicious circle of overstocked or worked-out land, insufficient to give even an enterprising man more than a bare living.

The late Senator Conroy was a member of the United Party. He was a Minister in the Smuts Government. — From a *Peace News* report, January 1.

ful grip on the present Government, and secondly, because of the resistance of DR. M. S. DU TOIT, the present Director of Technical Services, who is reputed to have ideological objections to small farms on the grounds that they would lead to the Afrikaners being reduced to a nation of peasants.

According to this report, the "land barons," sensing their unpopularity both in the town and the country, are trying to return to favour with their platteland neighbours by urging that more subsidies and technical aid should be given to the small farmers who are the real voting power of the Nationalist Party. In the towns one of the chief complaints of Nationalist voters is that their sons, many of whom yearn to return to the land, are unable to buy land anywhere on such terms that they can make a reasonable living. Nationalist Party M.P.s representing urban constituencies are becoming increasingly alarmed at the signs of "farmer domination" of the Party.

Justice F. A. W. Lucas Offers Solution

The excellent opportunities for effective propaganda on behalf of the taxation of land values, which this aroused public interest in the land question affords, has been turned to good account by those doughty champions Messrs. F. A. W. Lucas, Q.C., Mather Smith, Harry Levett and Robert L. McKibbin.

The HON. F. A. W. LUCAS, Q.C., in *The Star*, Johannesburg, October 17, remarked that while the Minister of Agriculture's October 6 statement had shown clearly some of the great evils which flow from South Africa's present land system, he had dealt with the subject merely from its rural aspect. "The question is, however, much wider. It concerns all kinds of land, urban, industrial and mining, as well as farming." Until the land system was tackled "the appalling problems which now face us will grow worse and will remain incapable of solution . . . Anyone who holds land out of use is hampering or preventing our ability to live or work. When we buy or rent land we are in fact buying or hiring the right to live . . . We have to break the power to hold land out of use and to charge us for the right to live . . . The remedy would be easy to apply if Parliament could be brought to adopt it. It is the simple one of taxing the value of land, exclusive of the value of improvements on it . . ."

"A tax on the unimproved value of land tends to reduce the price of land whereas every tax which is imposed on anything else raises the price of the thing taxed. A tax such as those we at present have to pay is a form of legalized robbery as it takes from us by force what is legally ours. A tax on the value of land, on the other hand, is merely a demand that we should pay to the community what the community has provided. The value of all land, excluding improvements on it, is made and kept up by and at the expense of the community as a whole. The owner never makes that value. He may in fact not even live in the country.

"A good example of how land values are created for the owner by the community was given by the late Minister of Health when he pointed out that the successful anti-malarial campaign, which was paid for by the taxpayers, had raised the value of land in the areas affected by £50-million, which would be unearned profit for the landowners . . ."

A tax on the value of all land in the Union would enable the cost of living to be considerably reduced, probably by one half. "It would bring about such a degree of general prosperity that many of our fears for the future, including

that of a depression, would fade away and no longer be justified."

Defects of Some Proposed Remedies

In the course of a long letter in *The Farmers' Weekly*, November 11, MR. MATHER SMITH outlined the proposals of the Natal Agricultural Union and of the South African Trades and Labour Council, reported above, and pointed to their defects. They were encouraging, however, "in that both show a realization that the interests of our rural landowners and our farmers are not one and the same, and are often antagonistic, and that our present system of land tenure is badly in need of reform . . . Large farms are necessary for certain types of stock farming and stock farmers would be unfairly penalized by the tax proposed by the Natal Farmers. The proposal of the Trades and Labour Council, that idle land should be heavily taxed, would necessitate a huge army of officials who would have to decide whether land was being usefully used or not. As our rural land has never been valued, on what basis would they impose the tax?"

"The Dutch started farming here in 1657 and the majority of farms held during the 17th and 18th centuries were on loan tenure from year to year. No farmer could sell his land; he could only sell the buildings he had erected on it. The Government, if it so wished, had the right of regaining possession or of not renewing the lease, in which case it would pay out the farmer for his improvements, but the lease as a general practice was always renewed (see Government Agricultural Journal for September, 1920).

"There was much opposition to our Site-Values Rating Ordinance, Transvaal, when it was first introduced in 1914, but it became law in 1916. Although several attempts have since been made to repeal or amend it, it has stood the test of time and is still the law of the land. All land in our towns must pay towards municipal expenses, whether the land is used or not. In Johannesburg and the Reef towns all the rates are on the values of the building sites and there is no rate on buildings.

"A similar system is the law in Denmark, but there it is extended to all the land, rural and urban. It has encouraged smaller farms and has checked the tendency of land to fall into the hands of the few. I would advise our Natal Farmers and the South African Trades and Labour Council to make some study of the system in force there."

Some Recent South African Farm Sales

From the "Sunday Times," Johannesburg, December 6

Farm at Touws River sold for £45,000; another at Nelspoort, bought originally for £800, sold for £72,000; others sold for £39,000, £35,000, £72,000 and one for £87,000.

A Cradock doctor bought a farm three years ago for £18,000. Last May he sold it for £37,000. Two years ago a farmer paid £12,000 for a farm; this year he refused an offer of £26,000.

One man bought a farm two and a half years ago for £18,000; two months ago he sold it for £36,000.

A small irrigation farm in the Cradock district, consisting of 30 morgen of land and 50 morgen of grazing, has been sold for £10,500, which is believed to be a record price for land in the area. Another Cradock farmer sold his farm at the good price of £15 a morgen, but soon afterwards regretted the sale. He approached the buyer to cancel the transaction. The latter was only prepared to do this on payment of £5,000. The original owner was so bent on keeping his farm that he agreed and paid this extra amount—about £3 extra a morgen.

In the past six months 14 farms in the Cradock district have been sold for £451,047. Cradock is acquiring a reputation as the centre of big land transactions. One farmer is reported to buy a farm every time he gets a wool check. He now has 10 farms. [A morgen is just over 2 acres.—Ed., L. & L.]