

"Cold" Civil War In South Africa

As I See It

By HARRY F. LEVETT

THE "Group Areas" policies and programmes of the Nationalist Party in South Africa have been widely criticised, both within and without the country, largely for emotional "reasons"; few people have paused to think out the basic economic cause of Group Areas in South Africa.

Group Areas exist, and have always existed, in most countries. Generally they are created and maintained on a voluntary "birds-of-a-feather-flock-together" basis. But often economic pressure of one sort or another contributes to their formation. For instance, in residential areas some landlords refuse tenants of a particular religion or of a particular race. Others, of course, take no interest in their tenants' personal habits or prejudices. In commercial areas, the economic factor has been strong: one part of a town is occupied almost solely by financial institutions, another by retail shops and department stores, another by businesses in the motor trade, and so on.

Formerly the creation of group areas was left entirely in the hands of the individuals concerned: landlords and tenants (or buyers and sellers of real estate) sorted themselves out in their own groups to please themselves. Lately, however, governments, both local and national, have been taking a hand. The most innocuous have been on the local government level, through the instrument of "town planning" and "zoning". As a rule they have purely economic causes and results.

In recent years, however, national governments have played a dominant role. The most conspicuous example was the creation of Pakistan and India, mainly on religious grounds, and without regard to the economic and personal distress caused thereby. India is now going still farther along the road and is establishing "group areas" even in the form of actual States on a language basis.

In South Africa, until about ten years ago, group areas were fashioned by landlords and tenants with some relatively minor government interference. Since 1948 the government has interfered so extensively that it is now the sole arbiter in this matter. Whole communities have been (or are being) uprooted and transferred elsewhere, with considerable economic loss and personal distress to those affected.

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must be prepared to live in a flat. And slowly but surely the large areas of allotment gardens, that for a long time offset the disadvantage which flat-dwellers know, are being built upon. As this development proceeds, a social danger arises. For the well-being and the health of people who are confined to their flat are easily affected.

Hanover is certainly a town in the green, with many public parks and playing grounds. But is this enough? One can only hope that those who are unwilling to be totally urbanised will heed the Henry George solution to this serious problem.

South African group areas policies have promoted considerable discussion at home and abroad about white civilisation, preservation of racial purity, suffering of innocent individuals and families, and so forth. Few people have realised, however, that these policies involve government interference with economic matters to an extent unparalleled in recent history.* Although this is not immediately apparent, the policies being pursued are virtually tantamount to a successful form of warfare by the rural landholders against the urban landholders.

This has largely escaped public notice. Instead, public attention has been focused more particularly on the removal of non-Europeans from certain urban areas. Years ago, Africans, Asiatics and Coloureds were granted (or assumed without opposition) residential rights on land of little value on the outskirts of towns. The value of this land has increased enormously with the growth of the towns and the improvement of roads and transport. The government's declaration that these areas are now or soon will be declared "white" and that the non-Europeans must move (invariably to land still farther away and so far of low value) might lead some to suppose that urban landholders must thereby benefit from acquiring the resultant vacated land. But this not so. Most South African towns already have a high proportion of under developed and vacant sites, and the addition of former "non-European" areas must result in a general lowering of site values in the enlarged "white" area. On the other hand, peri-urban land values will rise as a result of the forced removal of urban-dwelling non-Europeans. To keep their jobs in the towns the latter will have to move into their new "areas" formed on land previously classed as rural. The land will have to be bought from the present holders by either the government or the municipality concerned.

The South African government's industrial policy will also tend to reduce land values in the towns and cities. Proposals from some municipalities—especially on the Witwatersand with its "dying" goldmines—that more industrial areas should be declared have met with an icy response from the government. Its pretext is that this would cause an influx of still more unwanted African natives to the towns. Instead, it has encouraged the construction of factories adjacent to proclaimed "native areas" or native reserves in districts where minimum wage laws and industrial council laws do not apply. The absence of such laws has encouraged many manufacturing concerns, particularly in the clothing industry to remove from larger urban areas to small towns.

* The Preamble to the Group Areas Act of 1950 makes clear what is involved: "The law relating to establishment of group areas, the control of the acquisition of immovable property, and the acquisition of land and premises, and matters incidental thereto." Similarly, the Group Areas Development Act of 1955 is for "... the control of the disposal and for the acquisition of immovable property ... for the proper development of such areas ..."

"Influx control" and related laws have adversely affected manufacturers, merchants, and householders in the large urban areas. These prevent fresh supplies of native labour from entering urban areas to work in factories, shops, households, hotels, etc. Indeed, strict enforcement of "influx control" has often meant that valued employees of long standing, being natives, have been forcibly removed to work in rural areas. This lack of labour must tend to lower land values in the larger urban areas.

Let us now look at this subject from the other end. For many years natives in South Africa have paid a poll tax. Originally this was intended to have—and it had—the effect of forcing them from their limited reserves to find cash-wage employment. (The poll tax recently imposed in New Guinea by the Australian government is a useful

parallel.) The amount and incidence of the poll tax has recently been increased and hence more natives must be forced out of their own reserves. But because of the Urban Areas Act, Group Areas Act, Influx Control, etc., they cannot seek work in the larger towns, and must therefore work on farms.

Whatever its declared aims and objects may be the two-fold effect of the present South African government's policy is clear. On the one hand it will raise rural land values and create "latifundia" with cheap farm labour. On the other it will create "ghost" towns or impoverished towns with a high proportion of vacant sites, inadequate labour, and heavily handicapped factories.

The non-Europeans are the immediate losers under the Group Areas Act and related legislation, but the ultimate losers will be the white urban landholders.

READERS' MISCELLANY

CHURCH WON'T SELL LAND ON SUNDAY

Under this headline the *Courier-Mail* of Brisbane, Queensland, published a report (last November 13) from which the following is taken. Cutting sent by Mr. G. Musson, Derbys.

THE Presbyterian Church has decided that church land at Alexandra Headland must not be sold on Sunday, following protests by some church members over last Sunday's sale of 24 allotments for more than £10,000. The churchmen held that Sunday selling was not consistent with the church attitude to Sabbath observance.

Land for sale is Alexandra Park, an estate of 74 acres cut from a 174-acre church youth camp site at Alexandra Headland, on the North Coast. So far, 99 of the first section of 127 blocks have been sold for about £100,000. The entire 174-acre property was bought by the church in 1946 for £2,500...

The Presbyterian Church of Queensland general secretary (Mr. R. S. Byrnes) said yesterday that money from the land sales would be used to develop other church youth camp sites.

The *Courier-Mail* had previously reported (June 19) that homesite buyers and investors had "rushed" the first day of the sale, buying £90,000 worth in eight hours. This was the biggest single real estate venture in Queensland church history. The estate consisted of 350 blocks of which 75 were sold on the first day at prices ranging from £350 to £2,500 a block (average £1,200). The selling agent, Mr. Alfred Grant, said: "Never in my experience have I known an estate to sell 75 blocks of such high-priced land in one day."

Mr. Musson's brother, travelling on business in Australia, wrote: "There is a spot about sixty miles south of Brisbane which has been christened the 'Gold Coast'. A gold coast it is. They are building million pound hotels there and soon it will be about 10s. an hour to breathe. In the last eight years or less, land values have

not doubled or trebled. Or even quadrupled. A block of land which could have been bought for £200 eight years or less ago now brings £2,000 to £2,500."

* * *

NOTE: The rating of land values has been in operation in Queensland since 1890. In addition there is levied a State Land Tax and a Super Land Tax assessed on the unimproved capital value. Both are marred by exemptions and are applied at graduated rates. In 1957, the latest year for which we have information, the rates of Land Tax ranged from 1d. to 6d. in each and every £1 of taxable land value. An extra 2d in each and every £1 (without any exemption) was levied on all undeveloped land. In addition, Super Land Tax was levied on each and every £ as follows: at 1d where the taxable land value was £2,500 to £2,999; at 1½d from £3,000 to £3,999; and at 2d from £4,000.

Exemptions and graded rates of tax are wrong in principle. The State Land Tax should be levied at a uniform rate, without exemption, and irrespective of whether or not the land is used. It is obvious from the reports published above that there is abundant land rent which could be channelled into the State treasury.

RECOMMENDED TO L & L READERS

by Mr. H. T. A. McGahan, Matamata, New Zealand.

THE five books I would recommend are:—

1. Twenty Million Dollars Every Day by Otto Cullman, published in Chicago about 1935. A most valuable little publication. It should be used as a text book for the movement, especially for beginners.
2. Macaulay's works. (George owed much to Macaulay, especially the letter to Randall.)
3. Wealth of Nations by Adam Smith.
4. De Tocqueville's Democracy in America. Useful in these days when communistic principalities are so deep-seated.
5. A good history of England. Unfortunately I cannot