

# Justice and Social Reform

By HON. FRANK A. W. LUCAS, Q.C.

WHEN I was a student at Cape Town the professor of English, when he handed back to the class the essays which he had been marking, commented that, though they were not bad, they showed no signs of original thought. He added that we should stimulate our thinking by reading a book like *Progress and Poverty* by Henry George. He did not tell us anything about the theme of the book.

As we were all busy cramming for the final examination none of us paid any attention to his suggestion. There was no time for any reading outside our syllabus. As far as I know none of us ever gave any thought to the subject.

Some nine years later, when I was in Durban, having an hour or two to wait for a train, I strolled into a bookshop. Browsing round the shelves, I saw a copy of *Progress and Poverty*. Perhaps because of its arresting title, I remembered the professor's remark. I bought the book for 1s. 6d. I did not read it then but two or three months later I took it with me when going for a holiday. I soon became fascinated with it and studied it carefully for a fortnight. The reasoning was so convincing to me that in the nearly 50 years since then I have never wavered in my conviction that that book provides a touchstone for solving all our great political, social, and economic problems. I am satisfied that none of them can be really solved without applying to them principles of justice, true, equal, indivisible justice for all.

I have always regarded that experience of mine in finding *Progress and Poverty* as showing how we can never tell when, where, or how a chance remark may send forth an idea which may find lodgment and take root.

At school and college in South Africa and England, I had often been worried and puzzled by the fact that, while some people had unlimited riches, often without working for them, the majority, who worked long and hard, had a difficult struggle to make ends meet. *Progress and Poverty* threw a new light on this question for me. In my home town, Johannesburg, I saw fine buildings alongside shacks and valuable sites standing vacant. Though the town was known as the "City of Gold" it had horrible slums. There was grave discontent among the workers, which was shown by the number of serious strikes that occurred at the time.

In those days the programme of the South African Labour Party included the taxation of land values so I joined that Party. I was then acting as secretary of a Government Commission which had been appointed to suggest some practical measure for enforcing the enfranchisement of leasehold plots or "stands" in the town. Johannesburg had been laid out in such stands which were



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subject to the payment of a small monthly sum known as a licence. The title, which was very insecure, provided that any rates levied on the freehold owner's interest in the licence should be paid by the standholder. Owing to the rise in land values that interest had become a gilt-edged security. After long and careful consideration of all the suggestions put forward to the Commission the members could not find any direct way of doing what was wanted. I then proposed that the indirect method of a rate on the site value of land be recommended with a provision that, despite anything to the contrary in the titles, the freehold owner should not be allowed to recover the rates levied on him from the leaseholder. This proposal the Commission recommended. No action was taken by the Government on this recommendation. A similar proposal about freehold owners' rates in England had been made shortly before this by Lord Justice Fletcher Moulton. It was similarly ignored by the Government there.

About this time an election for the Johannesburg Town Council took place. Several Labour candidates, including

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myself, were returned. We were pledged to press for the rating of site values and the exemption of all improvements. Although we were in a minority we got a resolution adopted asking the Provincial Council to alter the rating law to allow us to introduce such a rate. As that Council was dominated by large landowners it ignored our request. We, however, got a great deal of publicity for our cause. We also circularised a large number of ratepayers showing how they would benefit by the proposed change.

Arguments had no effect on the ruling powers so it became clear that we should not succeed unless something unexpected came to our aid. It did. At the beginning of 1914 a general strike broke out. General Smuts proclaimed martial law. He then seized nine trade union leaders and without trial deported them to England. This high-handed action aroused intense indignation on the Reef and in Pretoria. When, two months later, a general election for the Transvaal Provincial Council took place, the Labour Party won all the seats but two in those areas and so had control of that Council with a majority of one! The accident had happened. The deportations had given us our chance. As leader of that majority I immediately introduced and got passed an ordinance giving local authorities power to rate site values only and to exempt all improvements on land. After some vicissitudes this became law in 1916 and has remained in force ever since. It is now so well established with public approval that it would take a dictator to change it.

Despite much continuous propaganda on the subject over the years we have achieved no further success in South Africa. We believe, however, that our educational work has not been wasted.

Too much was not to be expected from the new rating system in Johannesburg. The rate has fluctuated between 5d. and 7d. in the £ of the capital value of the site. I reckon that this has represented not more than about one-fifth of the total value of the land. It thus leaves four-fifths as a subject for speculation and there has been and still is much speculation in land values. The rate has, however, exercised a steady pressure on landowners to make better use of their land than they did when improvements were rated. Johannesburg is now a more compact city than it was in 1916. There are few poor buildings in the business area. In the residential areas the houses are generally of a good type. The people appreciate the fact that they can improve or enlarge their homes without being penalised for doing so. But in towns that rate improvements as highly as they do land, as Cape Town does, a big penalty is imposed every year on anyone who has the temerity to add to or otherwise improve his property.

The justice of taking the value of land apart from any improvements on it is so crystal clear that it is difficult to understand why that is not done everywhere. The subject is ignored altogether by most economists. Parliaments and other public bodies seem afraid to tackle the big vested interests in land. As the value of land is made and maintained entirely by the presence and activities of the

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people in a community, quite independently of whether the owner is there or not, that value is really a continuing gift to him from the people. They have to be taxed on their industry to pay to produce that gift. It would obviously be right and just that those whose contributions pay for what is thus given should be entitled to keep it for themselves.

Every useful public service creates at least sufficient new land value to pay for itself. Our present system makes the taxpayer pay for each such service and then leaves the value it adds to land to fall into the hands of the owner of the land. It is the injustice that is implicit in such a system that has brought about the strains and stresses which make our time so fraught with danger and turmoil.

Our civilisation can survive only if we accept justice as its foundation. Have we the courage and the wisdom to do that? At the present moment there seems little sign that we have. Meanwhile dictatorship grows apace and everywhere liberty is being crushed. In the chapter, "How Modern Civilisation May Decline" in *Progress and Poverty*, Henry George foretold the kind of troubles we are now facing. We can but hope the peoples of the world will not leave it too late before they seek justice and liberty for everyone.

The **Hon. Frank A. W. Lucas**, B.A. (Cape and Oxon.), Q.C., was born in Pietermaritzburg, Natal, 1881, and educated at South Africa College (now the University), Cape Town, and at Worcester College, Oxford. Appointed King's Counsel in 1924, he was for ten years (1925-1935) Chairman of the South African Wages Board; from 1940-1948, Chairman of the Johannesburg Bar Council. In 1946 he helped to found the General Council of the Bar of South Africa, was appointed its first Chairman, re-elected for two successive years, and then became its first honorary vice-President. From 1946-1951, he served as Judge of the Supreme Court of South Africa, and since 1953 he has been Justice of Appeal for High Commission Territories.

The work he has done as member of various Government Commissions—such as on Native Land Tenure, Transvaal Smallholdings and Transvaal Leasehold Townships—has shown his far-seeing statesmanship. Among other measures credited to his initiative are those relating to free education, equal rights for women, and an improvement in the status of hospital nurses.

In 1935 when he resumed his law practice, he turned again his energies to the betterment of social and economic conditions, gaining a wide audience for his views. One vehicle was the South African journal *The Free People* which (with the late Mather Smith) he maintained for a number of years. He is author of the book *South Africa as She Might Be*, published in 1946, and of numerous letters and articles to the press at home and abroad.

Mr. Lucas was elected honorary President (in succession to Mr. J. Rupert Mason) of the International Union for Land-Value Taxation and Free Trade at the Union's ninth international conference held at St. Andrews in 1955.