

Frank A.W. Lucas, Q.C.

As this issue goes to press we learn with profound regret of the death in Johannesburg on April 22 of the widely loved and deeply respected President of the International Union for Land-Value Taxation and Free Trade. A former Judge of the Supreme Court of South Africa, Mr. Lucas was 77. Below is a recent article from his pen.

MARKETING BOARDS

IN many, if not all, countries powerful sections of the community form pressure groups which lobby members of Parliament to get legislation passed to favour their special claims. Farmers have been particularly active in this way, with great success here as well as in Britain, Australia, and the U.S.A. No government here has ever dared to antagonise the farmers, so they have gone on getting from Parliament more and more favours. These are, of course, at the expense of the rest of the community, as consumers and taxpayers.

During the depression in the early 'thirties, our farmers in the Union could not sell all their crops at a price which they considered remunerative. Yielding to their pressure, the Government set up control boards to raise the prices of their produce. On these boards farmers had over 80 per cent of the members. The policy was to create an artificial shortage so as to be able to force up prices. The method adopted was to estimate what could be sold at the desired price and to compel the export of the surplus.

As the price overseas then was lower than the local price, the loss was to be made up by increasing the price to home consumers. In this way consumers had to subsidise the farmers. It followed that the bigger the surplus the greater was the quantity to be exported and the larger the loss which the domestic consumer had to make good in higher prices. Then as now we could rejoice if the crop was not too bountiful.

One example of how this worked will suffice. In 1938, the Maize Board fixed the price of maize at 8s. a bag of 200 lb., as enough to allow the growers a reasonable profit. To produce the scarcity which would give them that price the Board decided to compel the export of several million bags. This was done. The price obtained at the coast, after railage had been paid, was 5s. 9d. a bag. The difference between that and 8s. was to be made up by raising the price to the consumers, mostly the poorest of the poor, to 12s. a bag.

The Maize Board has since been so successful in raising prices for farmers that a year or two ago the price was 32s. a bag, exactly four times a satisfactory price for them in 1938. It is absurd to contend that the rise in their cost of production justifies such an increase. The contrary is proved by the very great rise in the price of farming land. That rise represents what people consider the great profit from growing maize at over 30s. a bag makes it worthwhile paying.

Control boards are a guarantee that there will not be



any reduction in the cost of living if they can help it. They have brought about the most ludicrous situations. Mr. Bob Connolly illustrated this in a cartoon before the last war. He showed two ships passing at sea. One was taking our butter to England; the other was bringing butter from there to us! The Board had compelled the export of too much. In any event we have never yet produced enough of this protective food to meet the real needs of our own people.

Our sugar growers, being a combine, did not need a board to help them do the same sort of thing. They fixed the price at 3½d. and what they could not sell locally at that price they sent to London where it was sold retail at 2½d. a pound.

The two Fruit Boards have turned this from a fruit-eating to a fruit starved country. The price of fruit today is prohibitive for the great majority of our people.

Women have had the vote for a quarter of a century but they have so far used it to little effect in the economic field. The farmers' control boards are among the first things that need to be tackled in the fight for freedom to produce and to trade and to end poverty. Until it is won malnutrition—a polite euphemism for starvation—and its evil effects will continue. We have been told recently by experts that the death rate from T.B. among the underprivileged blacks is 30 times what it is among the privileged whites. The fight to end poverty is one for us all to join in if only to end that shocking state of affairs.