

## "SOME SOUTH AFRICAN PROBLEMS"

By F. A. W. Lucas, K.C.

It has often been said that South Africa has more problems to the square inch than any other country. It is probably true that in any country the problems would be few if there were no initial injustice. Certainly most of South Africa's have arisen from the basic injustice which Henry George called on to us end.

In that country there are four different races, Europeans, Coloured, Asiatics and Natives, each race differing widely in its standard of living from the others. The coming of the whites to South Africa put an end to the natives' free access to land, except within the narrow limits of their reserves, where they have retained, as a rule, their system of communal ownership. The area left to them was not sufficient for their needs, mainly because of their backward methods of agriculture, but also because it was actually too small in extent. The consequence has been that large numbers of natives have had to go out to work for Europeans, who, knowing their simple tastes and low standard of living, paid them, and have continued to pay them, very low wages.

In the early days of the country's expansion the Europeans, having access to plenty of land, were relatively well off, and could afford to leave all the hard manual work to be done by natives. They thus established for themselves a relatively high standard of living which could not possibly be maintained on the wage which was considered adequate for a native. Gradually at first, but afterwards rapidly, because of the system of private ownership of land, large numbers of the Europeans became landless. Having to look for jobs, they began to come into competition with the natives in unskilled or semi-skilled work. As the Europeans could not maintain themselves on the wage on which natives managed to exist, employers naturally preferred natives, who not only could work at a lower wage than the whites but were more docile.

Because of the appalling poverty which began to spread among the whites, the Government resorted to many different shifts to secure the employment of whites. In the Government service large numbers of natives were turned out of employment and whites at 4s. to 5s. per day—that is about double the native wage—were taken on in their place. Other public bodies were subsidised, if they employed whites, to the extent of the difference between their wages and those of natives. This inherently unjust policy has in no way stemmed the growth of poverty among the whites, and has left large numbers of natives in a desperate plight.

In no country is the injustice of the private ownership of land values more glaring than it is in South Africa. When South Africa went off the Gold Standard the price of gold rose from about 85s. per oz. to 140s. per oz. The result was an enormous rise in the price of gold-bearing land, which was reflected in the rise in the price of shares in gold mining companies. The Crown Mines' shares may be taken as an illustration. The nominal capital of that Company is £1,000,000, divided into 2,000,000 shares of 10s. each. In 1931 these shares stood at £4 each, and were carrying a dividend of 6s. 9d. per share. To-day they stand at £13 each, and carry a dividend of 17s. per share. The difference represents a present to the shareholders of £18,000,000. Options over gold-bearing land have been taken up throughout the country and new companies are being floated in which the landowners are receiving all the benefits of this country having gone off gold, so that any man who wishes to-day to start gold mining is no better off because of the high price of gold than was the man when gold was at its lower price. The same is true with regard to sugar-growing land, although the retail price of sugar in South Africa is 3½d. to 4d. per lb., and of wheat-growing land, although the price of wheat in South Africa is approximately double the price at which wheat can be imported into the country. All the value of these high prices has been absorbed in high land values.

Although the population of South Africa is small it has

slums which have been described by observers with world-wide experience of slum conditions as the worst in the world. Slum clearance schemes are being fostered by the Government with apparently very little successful result.

South Africa could be a land "flowing with milk and honey," but the landowners prevent it. There is the usual talk of over-production. Half of the sugar output is exported and sold overseas at considerably less than half what the South African has to pay, while probably half the population gets no sugar to eat or certainly an insufficient quantity because it cannot afford to buy. Maize, butter, eggs, and meat are compulsorily exported to keep up the local price, while quite half the population is under-nourished.

These are the conditions which prevail in a country which is described by its politicians as "prosperous," and as the envy of many other countries in the world.

All these difficulties arise from one injustice—the private ownership of the value of land. A determined effort is now being made to educate the people of South Africa as to the remedy. A P.E.P. (Put an End to Poverty) group has been formed for that purpose, and its efforts are meeting with a most gratifying measure of success.

## VICTORIA

The *Melbourne Herald* of 24th July in its Review of Real Estate refers to the number of building permits in the Borough of Camberwell. It speaks of the "stimulating effect of the unimproved rating system in developing residential suburbs. . . . Persons who build there know that they will not see their rates go soaring immediately the building is completed. The person who suffers is the man who holds big tracts of land and refuses to develop them."

This is good testimony coming from such a source. Camberwell is one of the 10 urban municipalities (and there are also three shires) which now levy rates on land values, exempting improvements, under provisions of the enabling law passed in 1914 and amended in 1920.

## SPAIN

The October issue of *La Reforma Social* carried as a supplement a 24-page pamphlet by Mr Baldomero Argente, entitled "Capitalism and its Crises." This is the second of a new series of Geogist Essays. The previous one, also by Mr Argente, was entitled "What is Geogism." It need hardly be said that these are written with a brilliance and clarity that previous writings of the author have led us to expect. The analysis of the meanings to be attached to the elusive word "capitalism" is particularly well done. A number of articles on agrarian reform in Spain are extremely useful, and the section dealing with land value taxation in practice is continued.

## FRANCE

The latest issue of *Terre et Liberté* is as usual full of interesting articles. Mention may be made of Mr Pavlos Gianellia's review of the effects of land reform in Denmark, and Mr Daudé-Bancel on agrarian reform in Spain. Mr Lucas Merenset explains the views of the Belgian sociologist, Colins, who came in many respects close to the ideas of Henry George.

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