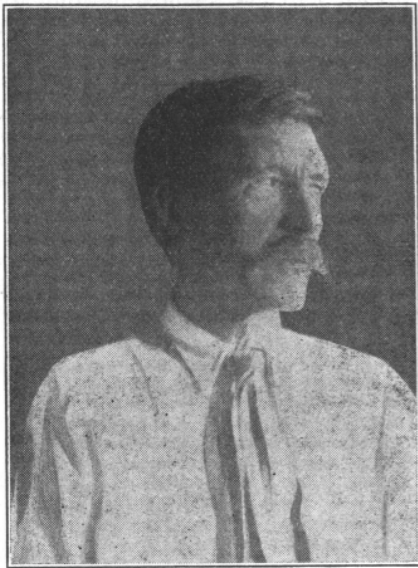


WAGES AND ECONOMIC CONDITIONS IN SOUTH AFRICA



MATHER SMITH

(The following statement is from a Précis submitted by Mr. Mather Smith, Farmer and General Dealer, to the Transvaal Economic and Wage Commission, 23rd September, 1925. Mr. Smith is recognized as a tireless exponent of the Land Value Policy, and has for years been in close touch with the United Committee. He is one of the first of our overseas correspondents.)

I take it that by "a civilized standard of life" is meant a life in which, the animal wants being satisfied, man has an opportunity for improvement, physically and intellectually. . . .

In competition in the labour market the scales are weighed against the whites. Apart from the fact that the native is more easily satisfied he has a further pull. He has an option—the white man has none. If dissatisfied, he can "hamba kiya"—the landless white has no home. The very considerable reductions in the areas occupied by the natives which have been made since I came to this country thirty-four years ago have also been to the detriment of the landless white, as it has forced more natives to offer their services in competition with him in the labour market.

Wages, like commodities, obey the laws of supply and demand. With 100 jobs for 99 men, wages will rise; with 99 jobs for each 100 men, wages will fall, all Trades Unions and Public Regulations to the contrary.

All industry must rest on primary production. The primary producer, the farmer, the miner and fisherman, is at the base of the social pyramid. The secondary industries, requiring raw material, must rest on the base. Anything which tends to restrict the free production of raw material tends also to restrict the secondary industries. Import duties are imposed in an endeavour to enlarge the secondary industries, and this takes place at the expense of the primary producer who cannot be protected, as he must sell in the world's market and has to buy in a partially closed one. Our land laws, as elsewhere, were mainly made by landowners for the benefit of landowners, as such. There is nothing to prevent a landowner from withholding his land from use; in fact, he can do so with very considerable profit to himself.

Our antiquated land laws act as a wire would do if

fastened tightly round the base of a growing pyramid or as a pot which restricts the free growth of a plant's roots.

This restriction of the base and encouragement of the growth of the second and higher tiers of the social pyramid causes it to become top heavy, and it may then topple over, which happened recently in Russia and now appears to be a likely happening in other countries as well. The safety valve cannot be held down for ever.

Man is a land animal and, by right of birth, is entitled to the free use of the earth. In this, as in most other countries, the white man at least is denied that right. Legislation which would make it unprofitable to withhold land from use would soon solve the problem of unemployment and would make possible a scheme of territorial segregation and a more or less white South Africa. Without such legislation the segregation idea is chimerical.

A tax on land values is obviously the best method of forcing land into use. Benoni, when I first saw it 30 years ago, was an hotel, a Kaffir store, and a chemist's shop. It is now a town something like what a town should be. The businesses and shops are in the centre; the residential quarters spread out naturally from the centre with plenty of spare ground for gardens, tennis, etc., and the streets are broad and planted with trees. This town has grown under a tax on land values with little or no tax on improvements.

In spite of the dire prognostications of the evils and ruin which would result from a tax on land values when the Transvaal Provincial Council first mooted the idea, the tax has quite evidently been for the good of the people, and no succeeding Council, as far as I know, has proposed its repeal.

The tax on urban values only does little, however, to remedy the evils of unemployment, as the worker has still no option. As a remedy for unemployment, the tax must be applied to all land values without exceptions or gradations. These latter lead to nepotism and chicanery and deny the principle stated above.

Protective duties affect the distribution of labour between different occupations; the present tendency of population, universally deplored, to crowd into towns is largely due to them. In Australia, even rabbit netting, used to prevent rabbits from devouring the farmers' crops, carries a heavy duty. The farmer who grows an exportable crop cannot be protected; he cannot pay the wages paid by the protected city manufacturers, so his employees leave him for the towns. This is happening to an alarming extent in the U.S.A. and Australia, both countries of high protection. . . .

Some months ago I found a valuable mineral on a land company farm, and applied to the company for permission to prospect there. I was told, in reply, that the right to prospect the said farm had already been given out. In that case, why is nothing being done? And the other, or others, may never find the mineral I found. A land values tax would soon cause prospecting to start there. As an instance of fertile agricultural land held out of use, I might point to the country lying around the railway between Pineaar's River and Warmbaths. This is gradually being bought up, but at an ever-enhancing price—at a price which often leaves the buyer with insufficient capital to develop his farm, and frequently makes him the slave of bondholders.

The above observations are the result of considerable thought and study. The problem of unemployment has always worried me, as I could never think it natural. That unemployment is unnatural should be evident to anyone who will cease looking through tinted glasses when they see our natives in their territories or locations.

As for the natives, I believe in territorial segregation, and would then leave them, as far as possible, alone.

To quote from Abraham Lincoln :—

"Certainly the negro is not our equal in colour, perhaps not in many other respects. Still, in the right to put into his mouth the bread that his own hands have earned, he is the equal of every other man, white or black. In pointing out that more has been given you, you cannot be justified in taking away the little which has been given him. All I ask for the negro is, that if you do not like him let him alone. If God gave him but little, that little let him enjoy."

Certainly God gave him a capacity for enjoyment in marked degree, and if happiness is in the scheme of Creation he was certainly meant to survive.

I believe that whites would have an equal enjoyment in life were it not for the fears of their futures. The white man being more ambitious, gets the more depressed when he loses hope, and a despondent man cannot give of his best, mentally or physically. Clear the way, do away with privilege and monopoly and—leave things alone.

Mr. Mather Smith also submitted evidence directly bearing on unemployment to the Drought Commission which was published in their Report.

A LIBERAL CANDIDATE ON THE LIBERAL LAND POLICY

Mr. James McCulloch, prospective Liberal candidate for West Willesden, addressing the Liberal Association of the Division, 12th February (local newspaper report), said :—

"The Liberal Party to-day were dealing with the land question from the wrong point of view. He was constantly emphasizing that they were going to do justice to everyone; but they were overlooking the fact that for centuries there had been injustice to the landless and there was no way of doing justice to them without knocking the landlords off their pedestal. (Hear, hear.) A hundred years ago the people had been called upon to bow down to the landlords. He wanted to get the Liberal Party on straight political lines and if they would take the strong line that the land belonged to the community they would be doing the proper thing. The land question, the urban question and the rural question had from time immemorial been one and the same thing. It was the rural question which caused the urban trouble. He could not sit down and see the Liberal Party making mistakes without protesting, he could not agree with the scheme of giving the landlords perpetual pensions.

"The only way to deal with the land value of London was by a national tax. They wanted absolute justice, and if they could not get it at the Liberal Land Convention this week they were going to fight to get it some other way."

Mr. McCulloch was a delegate at the recent Liberal Land Conference in London, and speaking at the final session he said : "I can assure you that as long as you put a straight strong tax on land values in the front of any programme you are going to put forward, you cannot make much of a mistake. Having said that, I am going to content myself by pointing out what I consider to be one grave error in the policy you have adopted. I say that you have admitted in this Conference that the land of Great Britain, which is the creation of God to all his people, belongs to certain individuals. You have admitted it by agreeing to pay for it under certain conditions, and in so far as you have done that you have ruined the whole policy for the agricultural smallholder."

NOTES AND NEWS

Mr. John E. Grant of London, who has recently returned from a visit to the United States, was the speaker on 19th March at the final meeting of the Henry George Club for this Session. There was a very large attendance and all were delighted with the address. Sending his contribution to the LAND & LIBERTY Sustention Fund, Mr. Grant writes : "Our monthly maintains its high standard for accuracy of statement, for its interesting news, and for its fearlessness in putting forward the gospel of Henry George from every aspect. Though tolerant to those with difference of outlook there is 'no surrender' on every page. I have been specially impressed with this year's numbers and I am not one to qualify praise where there is so much excellence."

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We regret that owing to the sudden illness of Sir Edgar Harper, the Dinner in his honour, announced in our March number, had to be cancelled at the last moment. The evening was given over to a social meeting, with Mr. William Reid, Secretary of the Scottish League, which had been hurriedly arranged for the 25th March. Mr. Raffan occupied the chair; but we must hold over any report of the proceedings till next month. On the motion of the Chairman it was unanimously resolved that we convey to Sir Edgar Harper our friendly greetings and sympathy in his illness, the hope of a speedy and complete recovery with the assurance that we will all be delighted to come together again for the purpose of paying him the intended tribute.

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The new edition of THE LABOUR QUESTION (an abridgment of THE CONDITION OF LABOUR, by Henry George, is now available; stiff paper covers, price 3d. The abridgment is the work of our late colleague, Harry Llewelyn Davies, and this edition carries a photo of the man with a foreword by Mrs. Davies. The pamphlet, as stated in our March number, is issued in his memory.

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The CLEVELAND PRESS, 8th February, carries a column interview with Miss Beatrice George, daughter of Henry George, jun., illustrated with a picture of herself and her grandfather. Miss George, the CLEVELAND PRESS remarks, is a recent graduate of Cornell University and a landscape architect. She has charge of a group of pupils at the Goodrich House, and has recently written a simple dramatization of the Cinderella story which will be given at the Goodrich House before Easter.

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The increase in trade that has resulted from the adoption of prohibition was soon followed by an increase in rent. One of the largest realtors of New York City says :—

"Prohibition has a splendid effect. Its greatest benefits are still to be felt. Trades people have taken over all old saloon space thrown on the market, at even higher rentals in many cases. The tenement dweller has become a better tenant. He pays his rent more promptly, and suffers depression much less than in former times."

Virtue is its own reward! But why should the realtor profit by the sobriety of the wage earner? The former drinker leaves off liquor, and becomes a better citizen. Because he is a better citizen land values increase, and the realtor charges the citizen more rent. In other words, the reformed man has the virtue, and the realtor gets the profit.—TAX FACTS, Los Angeles, January.