

# A Vote For 100 Per Cent

By MATHER SMITH

There appeared in the August, 1939, issue of The Freeman an article by Sandy Wise entitled "Johannesburg: An Economic Error." Several of our readers, from Canada and England, took sharp issue with this article, in which the author pointed out that "Land Value Taxation there (Johannesburg) has proved that land value taxation is not what Henry George advocated." In that city, Mr. Wise argued, the presence of land speculation, heavy taxes on industry, and dire poverty, indicated that a "tax on land values amounting to anything less than 100 per cent of the rent defeats the very purpose which George had in mind."

In deference to the criticisms received we sought information from The Farmers' and Workers' Party of South Africa, Mather Smith, secretary. Mr. Smith is also Editor of the Geogist publication, "The Free People." The illuminating letter herewith reprinted is the result.

Appended to this letter are some fiscal statistics for the City of Johannesburg. The total of assessed land values is about fifty million pounds, improvement values sixty nine million pounds. The total of taxes collected is 5,284,000 pounds. The tax rate is therefore somewhat over 4 per cent.

Dear Mr. Chodorov: I have just received your enquiry of the 29th of August. Yes, we agree with Sandy Wise.

The Transvaal Site-Values Rating Act was drawn up by our chairman, F. A. W. Lucas, when he was Chairman of the Transvaal Labor Party, about 1914. He wanted a rate on the annual (rental) value, instead of on the capital value, but the others would not agree. We then thought that more and more would be taken until the most of the capital value disappeared. But it hasn't worked. There is no doubt but that the rate, especially when first introduced, had a good effect and helped to force building land into use. It was one time here, I think, up to 10 pence or 1 shilling in the pound. But it is now down to 4 pence and the Labor Party City Councillors also voted for a reduction from 5 pence to 4 pence last year which shows that they now know nothing about the question.

(It seems that in Johannesburg, as in Pittsburgh and other places where limited land value taxation has been insti-

tuted, an increase in the rate did not automatically follow, as is so often predicted by "Single Taxers." It was reduced in Mr. Smith's city. Which seems to bear out the contention of the "hundred per centers" of the Sandy Wise stripe—Editor.)

When South Africa went off gold, about six years ago, there was much increase in mining. Abandoned mines started up again and new mines were opened up on a very large scale. This led, too, to a building boom on the Reef and also, to a lesser extent, in all the larger manufacturing towns, which led to a demand for skilled Europeans and unskilled native labor. Many skilled men arrived from Britain, Holland, and elsewhere, but the boom slackened off about six months ago although house and shop rents are still very high.

I first came to Johannesburg in 1896—43 years ago. This was little more than a mining camp in those days, yet much of the old town is just as it was then, except that parts that were then respectable are now slums. There are slums within 100 yards or so of the business part of the city, and the same one-story buildings I knew in '96. These are now swarming with human beings and, no doubt, vermin of all sorts. The City has spread enormously since '96 and now covers (that is the municipal area) 84 square miles. But half the old Johannesburg I knew is now more or less a shum.

There is no dole here, as in Britain, but the Government has all sorts of semi-charitable relief-work schemes. The natives work on the railway and in the towns for about £3-to-4 a month, on which a white man cannot live. So many natives were put off the railways—to starve if they could not find some other work—and unskilled whites, at a higher wage, put in their places some 14 years ago. Then there are government irrigation schemes, etc., on which whites only are employed at a wage of 3 shillings and six pence to about 5 shillings and 6 pence a

day. Skilled Europeans (builders, engineers, etc.) get about 3 shillings and 6 pence an hour.

Most of our natives have some claim to tribal land on which they can grow most of their own food, but there is a growing army of de-tribalized natives who compete with the unskilled whites. The latter are nearly 100% Afrikaner (that is Boer) and keep on pouring into the towns from the farms. There must have been at least 100 of these standing at the Labor Bureau trying to get work at any wage when I passed there this morning. And in every large town it will be the same. I need not explain to you how economic forces are pushing them off the farming land, but the natives on the farms have to work for next to nothing (ten shillings a month

with less than half a bag of maize per month in the Cape Colony and Free State), so that the European (old Boer) farmers who have lost their hold on the land cannot compete with them. We now have about 400,000 poor whites out of a European population of about 2,000,000. Their position, under present conditions, is hopeless. Charities and relief-works pauperize them.

Conditions are considerably worse since the war started. The building trade is almost at a standstill and there have been at least 400 to 500 men at the Labor Bureau seeking relief work for the past week or two. They were told that the Municipality would take on 320 at 7 or 8 shillings a day, but nothing has yet been done. And prices are rising.