

NATIVE HOUSING - ORANGE FREE STATE.

On 28th July, 1947, Mr. Rheinallt Jones and Mr. Koch had an interview in Pretoria with Mr. Heald, head of the Urban Areas Section of the Department of Native Affairs, and Mr. Yeld, of the Directorate of Housing, to discuss the following matters:-

1. The arrangements under which a location or Native village or township for the residence of Natives in Welkom Township could be established and controlled.
2. The financial arrangements for Native housing mentioned under 1.

1. As mentioned in Memorandum No. A.N.A. 3/47 dealing with the squatters in the Orange Free State, there is urgent necessity for the housing of some 70 families of Native squatters who are at present in illegal occupation of land on the farms purchased by the Corporation. It is also necessary to make arrangements for the housing of those Natives who will be employed in Welkom Township. It is necessary, too, to decide whether those of the former who are employed by the Mining Company are to be accommodated in married quarters on mine property or on property within the Welkom Township. In any case, those not employed by the Mining Company will have to be accommodated within the Welkom Township.

Under Section 7 of the Natives (Urban Areas) Consolidation Act of 1945, no Native and no association, corporate or unincorporate, in which a Native has any interest, may acquire ownership or occupation rights in a rural township, and a rural township is described as "any township, sub-divided estate, private township or hamlet, established, approved, proclaimed or otherwise recognised .... not situated within or being in an urban area...." Unless Welkom Township is brought under the jurisdiction of an urban local authority, it will not be permissible to build houses for Native occupation within the Township without the special permission of the Governor-General under the Natives Land Act of 1913. The only advantage of this permission would be to avoid delay in the building of houses should there be undue delay in the proclamation of an urban local authority for the area.

These houses could be built on the land which has been demarcated for the housing of Natives, and later, when an urban local authority is established, the houses could be taken over by the urban local authority. If the urban local authority did not want to do so, it would be possible to keep the land, on which the houses have been built, out of the area taken over by the local authority in establishing a Native location or Native village under the Natives (Urban Areas) Act.

The extended area could be legally recognised under Section 9(2)(h) of the Natives (Urban Areas) Act, under which Natives may reside in any area, within the jurisdiction of a local authority, which the Minister of Native Affairs has, with the concurrence of the local authority, approved for the residence of Natives. The restrictions of the Squatters Laws (including those of the Natives Land Act) do not apply to land within any area under the jurisdiction of an urban local authority.

The responsibility for the maintenance of the housing property would rest with the owners, while the urban local

authority would be responsible for the construction and maintenance of roads and for other of the services normally provided by a municipality.

The control of the influx of Natives into such housing scheme and of the conduct of the inhabitants would, however, be difficult to maintain, and, generally speaking, it is always more difficult to ensure Native general well-being outside a municipal location or village than inside of these. The administration of a housing scheme would probably prove a burden to the owners.

The control of the influx of Natives into an urban area is provided for in Section 10 of the Natives (Urban Areas) Act, which authorises the Governor-General, on the formal request of an urban local authority, to issue a proclamation prohibiting the entry of Natives into the area except under certain specific conditions.

A township company cannot itself control the entry of Natives into the Township area, nor can the proclamation mentioned be promulgated unless there is an urban local authority. The police would have to rely on the pass laws. In view of the urgent request of the Chief Native Commissioner that no more Natives be admitted to Welkom and the surrounding farms, unless under proper conditions of employment, the early establishment of the urban Native village or location under an urban local authority is desirable.

For these reasons, it seems most desirable that an urban local authority be set up for Welkom at the earliest possible date and that the housing of Natives be brought directly under the control of that authority from the commencement.

It is, however, necessary to point out that the urban local authority may refuse to house any Natives working outside the municipal area (as the squatters mentioned earlier now are) under Section 2(1)(b), which provides that an urban local authority may order any Native (with certain exceptions of no importance here) who is not employed in the area to remove therefrom. This is, however, unlikely to occur in the case of the employees in which the mining or other company of the Corporation is interested.

2. With regard to the financial aspect of the housing of the Natives mentioned, the following points emerged during the discussion :-

- (a) No industrial firm, or any group of firms in any one industry, can obtain a sub-economic loan under the National Housing Scheme for the housing of their employees.
- (b) No utility company set up by any industrial firm or any group of firms in any one industry can obtain such assistance.
- (c) A utility company set up by more than one industrial or commercial firm, provided they are in different industries, provided also their housing scheme does not restrict the tenants to the employees of the firms concerned, may obtain loans under the National Housing Scheme, and, in approved sub-economic schemes, loans will be given at 3/4 per cent.

(d) Local authorities may obtain such assistance and, in approved sub-economic schemes, the assistance takes the form of a 40 year loan at the interest rate of 3.1/4 per cent. with the Government, and the local authority bearing the loss on the scheme on the following basis :-

- (a) If the total rentals are 5 per cent. or less of the capital cost, then the loss is borne by the Government and local authorities in the ratio of 3 to 1.
- (b) If the total rentals exceed 5 per cent., but do not exceed 6 per cent., the ratio is 5 to 2.
- (c) If the total rentals exceed 6 per cent., the ratio is 2 to 1.

N.B. All sub-economic loans are for letting only.

It should be noted that a sub-economic housing scheme may include the following charges up to 10 per cent. of the capital cost of the scheme :-

	<u>Per cent.</u>
A. Repairs, maintenance and renewals of buildings, roads and stormwater drainage, plus recreational services (maintenance of parks and open spaces, swimming baths, cemeteries and recreation grounds).	2.50
B. Interest	3.25
C. Loan repayments	1.25
	<u>Not exceeding</u> Per cent.
1. Insurance and administration	0.25
2. Rent collections and provision for irrecoverable rents	0.50
3. Sewerage charges and refuse removal	0.50
4. Electric light, water and street lighting	1.00
5. Sanitary inspection, medical services and welfare work	0.20
6. Maternity and child welfare centres	0.10
7. Nursery schools	0.10
8. T.B. Clinics	0.10
9. V.D. Clinics	0.10
10. Dental Clinics	0.10
11. Library services	0.05
	<u>3.00</u>
	<u>10.00</u>

It would, of course, be possible for the Township Company to build houses without relying on a loan from the National Housing Commission.

It has already been shown that the administration of a Native housing scheme involves heavy responsibilities in control. It must also be pointed out that there appears to

be no way in which a local authority may take over a housing scheme from a utility company with the National Housing Loan at 3/4 per cent., nor may it obtain a loan from the National Housing Commission in respect of houses already built. If, therefore, the Native housing now required were undertaken through a utility company under a National Housing sub-economic loan at 3/4 per cent., and it were desirable later for the urban local authority to take over the housing, the local authority would have to purchase the properties under an ordinary loan raised outside the National Housing Commission, and the utility company would then pay back the sub-economic loan to the Housing Commission.

It should also be noted that the utility company could only obtain its sub-economic loan from the National Housing Commission through the local authority. It appears, therefore, that if no local authority has been established, a utility company cannot obtain a loan.

For these financial reasons also it is urgently desirable that an urban local authority be established for Welkom without delay.

How will the local authority meet the cost of a sub-economic housing scheme? The income from the rents must obviously, under the formula set out earlier, be inadequate, and the local authority must bear its share of the loss in the proportion indicated. This loss can be met by rates and charges on the properties in the European township. It is true that some portion could be recovered through water and light charges, chargeable against the tenants of the native houses, but this would prove a hardship since the rentals would have been fixed in relation to the tenant's capacity to pay. There remains the possibility of employers being asked to subsidise their employees' housing. It is possible that such subsidies would not be regarded as adding to the income from rents and so affecting the formula for Government subsidisation of the sub-economic. This, however, may not be a true interpretation of the conditions of sub-economic loans, and should be examined further.

There was complete agreement between those who took part in the discussion that the establishment of the urban local authority is a matter of extreme urgency, and that the Corporation should address representations to the Administration of the Orange Free State without delay. It was also agreed that the Department of Native Affairs and the Directorate of Housing should be asked to support the Corporation strongly.

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