

SOUTH AFRICAN CONGRESS OF DEMOCRATS.

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MEMORANDUM ON THE PROPOSED INCREASES OF RENTS
IN SUB ECONOMIC HOUSING SCHEMES PRESENTED BY
THE SOUTH AFRICAN CONGRESS OF DEMOCRATS TO THE
JOHANNESBURG CITY COUNCIL

The South African Congress of Democrats is an organisation of South Africans, predominantly European in membership, which is committed to a policy of striving to achieve racial harmony and fundamental democracy and to active participation in the struggle of all underprivileged people for satisfactory conditions of living. It is in the spirit of these concepts that this Organisation submits this Memorandum to the Mayor and to the City Councillors of Johannesburg.

The vast problem that the provision of housing presents to the City Council is common knowledge. All citizens should be aware of its immensity and of the difficulties which the Council, in common with all local authorities, has experienced in establishing satisfactory formulae for the obtaining of loans from the Government, both in the early days of sub-economic housing and at the present time. The Council is faced with the existence of a vast non-European urban population, drawn to the city by its industrial, commercial and residential expansion, for whom there has evolved no satisfactory scheme for the adequate provision of the fundamental human right of a roof to provide shelter. That the average African is unable to pay an economic rent increases the problem of his housing to an almost intolerable degree, yet the need of the city for his labour is such that, failing the raising of his wage levels to meet his basic needs, the only /solution is

solution is to provide subsidised housing schemes.

For over twenty years the Council has from time to time embarked on sub-economic schemes for the housing of Europeans, Coloured and African sections of the community, on the assumption till now that a man earning less than £30 per month can afford neither to build himself a house, nor to hire a house at a rent which will provide an economic return on capital expenditure and also meet the cost of the provision of the services and amenities which are an integral part of "housing". Such schemes carried heavy operational losses, particularly when loan capital expenditure had to be redeemed, yet with the aid of the National Housing Assisted ($3\frac{1}{2}\%$) and ($\frac{3}{4}\%$) Schemes, the Council was able to provide at least some of the thousands of houses required and to sustain its share of the operational loss.

It would appear that Africans fell automatically into the sub-economic income group thus provided for on the assumption that it was unlikely that any African would be in a position to earn more than £30 per month. Whatever the reason, apparently no means test was applied; and the Council was able to recover its losses on African sub-economic housing, partially if not entirely, from the Native Revenue Account and, latterly, the Kaffir Beer Account.

Nevertheless, the Council has had to face increasing losses on sub-economic housing and increasing difficulties in establishing satisfactory means of recovering the Government's share of operational losses, or even establishing satisfactory proportions for that share. Building costs have risen, administrative difficulties have increased and it would seem that the Council arrived at a deadlock in sub-economic housing, which came virtually to a standstill, while the population demanding such housing increased rapidly, thus acerbating an already dangerously strained situation.

The Government scheme at Meadowlands bears no

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direct relation to the subject of this memorandum, for that scheme is concerned solely with the arbitrary removal of a selected entire community which is, to a large extent, already housed.

The National Housing Commission appears to have taken some cognizance of the predicament of the City Council by endeavouring to reduce the losses on sub-economic housing, not however by reducing the 3 $\frac{1}{2}$ % rate of loan interest on schemes enacted between 1944 and 1949, but by recommending the passing on of a portion of the loss to the very people who cannot afford it, and for whose benefit the sub-economic housing schemes had originally been planned - the tenants themselves. The Minister of Native Affairs has supported this principle of taxing the sub-economic tenants and has made use of amended legislation to enforce both a stringent means test and rent increases which will be drastic in their effect upon the people concerned. It is appreciated that the City Council has protested against the severe measures proposed by the Minister and has endeavoured to alleviate some of the attendant hardship, but in seeking its own alternate relief the Council was itself also guilty of imposing an intolerable burden upon African sub-economic tenants in proposing a sub-economic ceiling of £20 per month, and increases of rent even for families with less than £15 per month.

This Organisation is however most seriously disturbed to note that the City Council's rent increases, as gazetted on October 27th 1954, are governed, not by the Council's proposed ceiling of £20 monthly income, but by that promulgated on 23.7.54 by the Minister of Native Affairs, namely £15 per month. We submit that the rent increases as gazetted combine the worst features of both proposals, firstly the inhuman sub-economic ceiling of £15 and secondly the increase of rents for families below this inhuman level.

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The crux of the whole situation must be obviously in the ability of the tenant to pay, for that houses must be provided, no one will deny. It is important therefore to assess that ability. From time to time surveys of the economic position of the African have been conducted with almost monotonous results - the clear establishing of the inability of the average African family to meet even the minimum fundamental requirements of food, housing and clothing. The survey carried out in 1954 for the South African Institute of Race Relations presents the most recent and reliable figures, but figures which are astounding when compared with the levels set for sub-economic family incomes by the Minister of Native Affairs, and disturbing when compared with the level proposed by the City Council.

The accepted average size of an urban African household is five members. This survey shows that such an average family requires £23.10.4. for its very existence, at practically a poverty datum level, that level of subsistence, of which Professor Batson himself remarked, "Such a standard is perhaps more remarkable for what it omits than for what it includes. It does not allow a penny for amusement, for sport, for medicine, for education, for saving, for hire purchase, for holidays, for odd bus rides, for newspapers, stationery, tobacco, sweets, hobbies, gifts, pocket money, or comfort or luxuries of any kind. It does not allow a penny for replacements of blankets, furniture or crockery. It is not a 'human' standard of living".

Even more disconcerting than this revelation of the high cost of minimum living is the finding that only 64% of the families surveyed can reach the level of income required. And since this survey was completed, the cost of living has risen still higher in the field of commodities essential to the family's minimum requirements. In September 1954, not only rail fares, but the prices of milk, tea, sugar /and coal

and coal increased. Thus two facts stand out and will not be denied; firstly that an average African family of five requires a minimum income of £30 per month to meet the cost of existence at a level which provides no luxuries but at which a family can maintain a standard of decency and achieve a well-ordered life; secondly that not only can very few African families hope to achieve even this modest level, but any diminution of the present income must lead to a further lowering of nutritional and health standards, for it is in this direction and this direction alone, that "cuts", not economies, can be effected and expenditure reduced.

This organisation would therefore urge the City Council to give serious consideration to the following recommendations:-

- (a) that, since the Minister of Native Affairs is once more interfering unjustifiably in the affairs of the local authority by gazetting rent increases and the determination of sub-economic levels of income which have not been approved by the City Council, the City Council should endeavour to obtain approval by the National Housing Commission of a revision of these increases and levels.
- (b) that the City Council should abandon any scheme which will impose any increase of rent upon families with a total income of less than £30 per month.
- (c) that in assessing or reassessing rentals due consideration should be given to the condition of the house, the existence of amenities and the proximity of the house to such amenities.
- (d) that the Council should accept any loss which may ensue as a result of this course of action and the possible denial of funds from the Native Revenue and Kaffir Beer Accounts.
- (e) that the Council consider the realistic approach to sub-economic housing, i.e. that employers of labour are in

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effect being subsidised by the rate-payers to provide houses for employees who do not receive wages adequate for their minimum needs.

(f) that the Council should urge that the funds derived from the Natives' Services Levy should be made available for the building of houses, when in excess of immediate requirements, for services.

(g) that failing the above, the ratepayers should accept the responsibility for the provision of housing for the underpaid and underprivileged people who contribute through their labour towards the prosperity which maintains the European in a relatively luxurious standard of living.

(h) that the whole question of rating values be examined in relation to the vast number of flat-dwellers, who are not called upon to make beyond a negligible contribution towards the expenditure of the city.

(i) that, when establishing "economic" rentals and rentals bridging the gap between the economic and the sub-economic, the Council consider seriously the present serious lack of amenities in sub-economic housing schemes.

(j) that the Council make all efforts to redress the lack of these amenities, so as to establish satisfactory standards of living for the families who, under the present wage structure, will at no time be in a position to graduate to economic schemes.

(k) that the Council proceed with all speed to the erection of economic housing schemes, both for renting and for purchase with a view to providing the necessary alternative accommodation for tenants with higher incomes, who are at present housed in sub-economic schemes.

(l) that the Council refuse to accept the dictum of the present Government which prevents Africans from owning land in urban areas and continues to press for freehold rights, the prospect of which will stimulate the African to strive for his own home, and will remove at least one cause of racial friction.

(n) that the.....

(n) that the City Council seriously consider the effect upon the African people of these rent increases, now gazetted, from the health aspect. For the vast majority of tenants, for all those families whose income lies below £30 per month, any increase whatsoever must impair the standard of health, in so far as it reduces the amount of money available for food and must consequently affect wage earning capacity from the angle of the worker and production and efficiency from the angle of the employer. From the racial angle, these increases must inevitably worsen the present explosive position in the arbitrary and invidious application of such increases to the very people who can least afford to pay them; that these increases are applied to the African people, the poorest group, before they are applied to any other racial group cannot fail to affect racial tensions, and to inflame the resentment already engendered specifically by the Western Areas removal scheme and generally by the whole process of social injustice and racial oppression.

(o) that the City Council apply these recommendations and the principles contained therein equally to the tenants of European and Coloured sub-economic housing schemes when their respective rent increases are considered.

The South African Congress of Democrats calls upon the City Council of Johannesburg to respect the principles of justice and humanity, to reject any course of action which will further oppress those of its citizens, be they European, Coloured or African, who struggle to maintain their homes and families in the face of ever increasing costs, but who are themselves the very foundation stone, the great rock on which the wealth, the prosperity, the progress of this city is based.

Issued on behalf of the South African Congress of
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