## NATIVE REVENUE POLICY

BY

### MR. P.R.B. LEWIS.

The title of my address this afternoon is an examination of the financial policy of the Johannesburg City Council in regard to the Native Revenue Account. I feel that the title might have as easily been the policy of the Johannesburg City Council in regard to the Native Locations as, to my mind, financial considerations have been the dominating factor in fixing the policy.

KLIPSPRUIT 1904. The first action taken in establishing a location was in 1904 when, owing to an outbreak of plague, Natives, who were then living in hovels near where the Nowtown Market now stands, were removed overnight and allowed to establish themselves at Klipspruit in what has now become the notorious Pimville Location.

URBAN AREAS ACT, 1923. No further attempt was made to establish dwellings until the passing of the Urban Areas Act of 1923. This Act, amongst other things, placed the responsibility on local authorities for housing natives employed within their boundaries.

NATIVE REVENUE ACCOUNT:

Under the same Act it became obligatory for
Local Authorities to keep a separate Account to
be called "The Native Revenue Account" in which had to be reflected the
Income and Expenditure in connection with Native Affairs. Any surplus
on this Account could not be utilised for General Revenue purposes
but specific provision was made in the Act permitting Local Authorities
to supplement the Native Revenue Account from General Revenue.

# CAPITAL EXPENDITURE:

In order to carry out the obligations imposed under the Urban Areas Act it was necessary for the Council to establish townships and to build hostels and houses for Natives. To finance this and other schemes the Council has from time to time raised loans by Public Subscription. Part of these loans was allocated to the Native Revenue Account and at the 30th June, 1940, the amount so allocated amounted to £1,570,843, of which £430,472 was a Government Loan under the Sub-Economic Housing Scheme. The Rates of Interest vary from the on the Government Loan to from 34% to 55% on the Loans raised from the Public.

# The money borrowed was spent as follows: Capital Outlay

Land	122,185
Buildings	823,062
Machinery	2,249
Plant	15,786
Tools	
Motor Vehicles	204
Furniture	8,334
Lay-Out	17,043
Fencing	3,345
Livestock	46,073
	2,388
Tonnis Courts	190
Stormwater, Drainage & Sewerage	33,698
Water Supply	33,233
Railway Siding	4.297
Roads	12,968
Tramway Extension	1,750
Lighting	12,781
Medical Appliances	17
Swimming Pcol	768
Orlando Government Housing Scheme	430.472
	400.478

1,570,843

Until 1927 the Non-European and Native Affairs Department was under the Parks and Estates Committee. It was a step forward when a separate Committee was appointed for this Department.

# ESTABLISPMENT OF TOWNSHIPS:

The Johannesburg Municipality has established a number of locations and Hostels. The Housing provided in April, 1939, was as follows:

	No:	of Houses	Population	Average Number of Persons per Room.
EASTERN NATIVE TOWNSHIP.  Total	560 56 616	Two Roomed Three Roomed	4,300	3.3
ORLANDO NAT_ IVE TOWNS IP Total	4088 1803 5891	Two Roomed Three Roomed	35,256	2.6
PIMVILLE To tal	1200 99 13 1302	Native Owned Tanks Municipal Hou		
WESTERN NAT- IVE TOWNSHIP	1952 239 36	Two Roomed Three Roomed Single Rooms		
Total	96 23 <b>23</b>	Nisson Huts	15,000	3
HOSTE	L S:			
Wolh Wome Poll TOTAL Pop	sbury Ju uter ns y Street	Hostel in Locations	2,750 470 3,400 150 148 73.474	

# NATIVE REVENUE ACCOUNT FOR YEAR ENDED 30. 6.40:

I would now like to deal with the Native Revenue Account for the year ended 30th June, 1940. An examination of this Account reveals that the Income was as follows:

Rents		168,780
Beer Hall Receipts		94,447
Finos	4,409	
Liconce Fees	4,533	
Burial Foos	333	
Sundrios	202	
Wash Foos	100	9,627
Loss: Bad Debts		£272,854
written off		794
		£272,060.

- 3 -

It will be observed that the main sources of Income are the Rents from the hostels and the houses in the Townships and the Beer Hall Receipts.

### EXPENDITURE:

The total Working Expenses amounted to £187,497. The difference between the total Income viz: £272,060 and the total amount of Working Expenses viz. £187,497 amounts to £84,563.

## REDEMPTION CHARGES:

In addition to the actual working expenses, provision is made in the Native Revenue Account for Interest on the money which has been berrowed to establish the townships, and also for the repayment of the money berrowed. For the year under review the Interest amounted to £47,808 and the Redemption of Lean Capital to £17,808. If we add other items of expenditure, namely, Provision for Renewals £5,912 and Military Service allowance £604, we get a total of £72,132 to which is added the deficit brought forward from the previous year amounting to £22,897. The net result is, after deducting the excess of Income over Working Expenses, that a deficit of £10,466 remains to be carried forward to the 1941 year. Thus in the year the deficit was reduced from £22,897 to £10,466 - thanks to the Boer Halls.

# SOURCES OF REVENUE:

To get a true picture of the Native Revenue Account it is important to keep in mind the sources of Income out of which the expenses are paid. It will be remembered that of a total Income of £272,854, Rents contributed £168,780, Beer Hall Receipts £94,447 and Sundries £9,627. The Income from Rents cannot be increased as the Natives incomes are so small that the present rentals of 4/- per week for a two-roomed house and 5/- per week for a three-roomed house already make a serious hole in the family purse. The only way, therefore, that additional Income can be provided is by increased Beer Sales.

### EXPENDITURE:

It is often pointed out that the Rent charged for the houses is not a true rent but is a payment for the use of the house plus such advantages as free water, free medical attention, social services, sport, etc.

### REDEMPTION CHARGES:

A considerable amount is paid each year for the maintenance of Buildings in the Locations. In addition, Reserves are made for the maintenance of Buildings but this is not all for providing for the Redomption of the money berrowed to build the Locations, it means that provision is being made for the purchase of the houses. It is therefore, very correctly claimed by the Municipal Authorities that the rent is not a rent, for on the present basis at the end of thirty years the land and houses will be paid for and the houses will then belong, not to the Natives who have paid for them, but to the Native Revenue Account. The amount owing by the Native Revenue Account for the loans from various countal Issues at 30. 6.40 (excluding the Government Housing Loan) was 1955, 492. The total of Redomption Fund accumulations allocated to the Native Affairs Department at that date was £231,978.

# GRANTS\_IN\_AID £3,870:

Welfaro. For instance, the Bridgman Memorial Hospital receives £770. In Anglican Church Mission receives £600. In all £3870 is distributed. Bearing in mind the sources of Income, namely, Rents and Beer Sales, it

will be seen that it is the Natives themselves who are making those contributions.

## SOCIAL SERVICES:

All Social Services in the Townships are financed out of the same sources of Income namely - Rents and Beer Hall Receipts.

The total expenses of the Public Health Department for Medical Services for Non-Europeans and Natives for the year ended 30. 6.1940, amounted to £21.439, of which £10,654 was charged to the Native Revenue Account, and the balance was borne by the Public Health Department and thus met out of General Rates.

# CHANGE OF POLICY:

For the period 1914 - 1937 any deficit on the Native Revenue Account was made a charge against the General Rate Fund and over that period the deficits thus met amounted to £302,012. The deficits from 1930 enwards were as follows:

1930/31	£20,664
1931/32	· · · · · · · · · · · · · · · · · · ·
	23,773
1933/34	
1300/04	18,333
1934/35	•
4004/00	3,243
1935/36	
	6,644
1936/37	
4000/07	20.697

The deficit for the year 1937/38 amounted to £23,131 and this deficit was carried forward as a charge against the Native Revenue Account of the following year. This policy has continued, the deficit in 1939 been further reduced to £22,897 and in 1940, as previously mentioned, it had been further reduced to £10,466.

In 1939 cortain items of expenditure which had not previously been charged to the Native Revenue Account appeared in that account. Grants-in-Aid to Native Institutions had always been treated as all other Grants-in-Aid and were met out of General Rates. In 1938 these Grants amounted to £2,989. In 1939, when the Grants for that year were debited to the Native Revenue Account, the Council suddenly became more generous and the Grants amounted to £4,083 and in 1940 the amount was £3,870.

In 1939, for the first time, the Native Revenue Account was charged with £3,451 by the Town Clerk, City Treasurer and Audit for Indirect Administration. In 1940 this figure was increased to £4,262.

# REASON FOR CHANGE OF POLICY:

It is stated by the City Treasurer that the Change of Policy was due to the establishment of Beer Halls. The Beer Halls were established in the latter part of the 1938 financial year.

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For that year the Income was	£15,534
Expenditure	
Profit	8.442
The 1939 figures were	7.092
Income	59,250
Expenditure	
Profit	26.482
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Income	94,447
Expenditure	
Profit	30,695
	63.752
It is estimated that the sales for 1941	
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	115,000
and Expenditure	47,000
<u>Profit</u>	41.759
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It appears that the profits on the Beer Halls have proved a boon to those responsible for financing the Native Revenue Account and moral issues are likely to be overlooked in such a profitable venture.

Again, bearing in mind the sources of income, it is appar nt that the recent reduction in rents was only made possible because of the large profits on beer.

The majority of the patrons of the Beerhalls are not those Natives who live in the Municipal Townships and Hostels. The Beerhall profits are, therefore, not used for the Natives who drink the beer but for the residents of the Townships.

# REASON FOR PATRONAGE.

I believe that one reason for the popularity of the Beer Halls is that the Natives have been provided with Social Contres where they can assemble without any fear of molestation. At present there are few other places they can meet and be free from interference.

The experience of all countries shows that drinking becomes less important as a recreation for the people, in proportion as alternative leisure pursuits become available to them, and as they acquire the education which enables them to enjoy these pursuits. It appears to me, therefore, that your Alliance in any action you may take regarding the Beer Halls, should press at the same time for adequate provision being made for the social requirements of the Native People. It is largely because people are at a loose end that they resort to drinking.

# SHORTCOMINGS OF COUNCIL'S POLICY:

Finance has been such a vital factor in determining the policy in regard to the locations that it appears that some of the real needs of the people have been uncatered for. Does providing four wells and a roof cater for a man's wants?

### WATER:

In Orlando the householder obtains his water from a tap in the street. One tap is provided for twelve houses, six on either side of the road. This does not encourage cleanliness. This mistake is still being made, as in the new houses now being built water is being laid on to the four-roomed houses which have a shower cubicle, but not to the three-roomed houses.

# EDUCATION:

The Schools in the locations have been built by various missionary bodies as it is stated that education is the responsibility of the Province. The Provincial Authorities state that they have not the money to do more than they are doing. The result is that in Orlando only 40% of the children of school going age are catered for. The other children are left to wander as they please. In a number of instances as both parents are working in order to oke out a living, the children are without any home training and are not being fitted to take their place in juvenile delinquency.

# STREET LIGHTING:

In Orlando Township where there is only one tarred road and a population of over 35,000 people, an expenditure of only £1,400 was allocated to Street Lighting.

# PARKS AND PLAYGROUNDS FOR CHILDREN.

Although in the layout of Orlando Township numerous sites have been set aside for open spaces, only three football fields, one Tennis Court and a few basket ball fields have been provided. There is one smell park but otherwise no attempt has been made to enclose or develop the numerous sites provided for playgrounds and open spaces. Surely swings slides and a few other such things could be provided at no great cost.

If trees were planted the Township would have a different appearance. A swimming bath would be a popular amenity. Johannesburg is a City of amazing contrasts. Few people would quarrel with the generosity in regard to the Parks and open spaces provided for Europeans. In one year over £27,000 was spent on Trees in streets and open spaces. The more well to do ratepayers contributed to the well being of the people who are less fortunate.

### A COMPARISON:

The Council has recently established European Housing Schemes and provided houses for the poorer sections of the Community at low rentals. The rentals do not cover the cost of the schemes. This also applies to the housing scheme for the Coloured people. Any deficits on these two schemes are rightly charged to the General Rates Fund.

### CONCLUSIONS,

- (a) The City Council has made a serious effort to tackle the problems of Native Housing and the conditions in certain Townships are better than those prevailing in numerous other quarters where Natives live in hovels.
- (b) But if for 23 years the Council was prepared to charge the deficit on the Native Revenue Account to General Rates, it is surely a retrogressive step to shelve the responsibility and carry forward those deficits and rely on increased beer profits to meet those deficits. The Beerhall profits are, therefore, being partly used to relieve the General Rates Fund of expenditure which it previously met. One wonders what would have happened if there had not been Beer profits these last few years.
- (c) Are further improvements in the Townships to depend on Beer Hall results or can some contribution be expected from General Rates?
- (d) The Natives are admittedly the poorest section of the Community economically. As Townships are established certain Natives are compelled to move to those Townships in order to carry out the policy of segregation. This often means an increased cost in transport charges, travelling to and from work. Is it just, that incarrying out this policy, the total cost of the various building schemes as well as the costs of running the Non-European and Native Affairs Department and the repayment of Capital, etc., should be paid by the Natives?
- (e) Surely the time has arrived for the Council to face the position and adopt a progressive financial policy and provide amenities and services, which are necessary to enable the Natives to live healthy lives, at prices which the Natives can afford to pay though such a policy would necessitate a contribution to Native Welfare by the European population.

Such a policy should appeal to all who have any vision, for the health and prosperity of the urban European population is closely linked with the health of the Native population.

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- (e) Surely the time has arrived for the Council to face the position and adopt a progressive financial policy and provide amenities and services, which are necessary to enable the Natives to live healthy lives, at prices which the Natives can afford to pay though such a policy would necessitate a contribution to Native Welfare by the European population.

Such a policy should appeal to all who have any vision, for the health and prosperity of the urban European population is closely linked with the health of the Native population.

To put the matter in another way, leave out the Income and Expenditure on Beer Halls. The Gross Income would then be £177,613 and Expenditure £225,933:- in other words an Excess of Expenditure over Income of £51,320. Thus if it had not been for the Beer Hall Profits there would have been a large deficit which would have had to be met out of General Rates. The Beer Hall Profits are, therefore, being used to relieve the European Ratepayers of a contribution to the Native Revenue Account.

One reason for the popularity of the Beer Halls is that Natives have been provided with Social Centres where they can assemble without any fear of molestation. At present there are few other places where they can meet and be free from interference.

The experience of all countries shows that drinking becomes less important as a recreation for the people, in proportion as alternative leisure pursuits become available to them and as they acquire the education which enables them to enjoy those pursuits. It is largely because people are at a loose end that they resort to drinking and it appears, therefore, that one practical contribution to solving the drinking problem would be to make adequate provision for the social requirements of the Native People.

It would be surprising if such change of policy was made with the knowledge of the majority of the citizens of Johannesburg.

To put the matter in another way, leave out the Income and Expenditure on Beer Halls. The Gross Income would then be £177,613 and Expenditure £228,933:- in other words an Excess of Expenditure over Income of £51,320. Thus if it had not been for the Beer Hall Profits there would have been a large deficit which would have had to be met out of General Rates. The Beer Hall Profits are, therefore, being used to relieve the European Ratepayers of a contribution to the Native Revenue Account.

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- 1. The European Population are in a great measure responsible for the well being of the Native populations of the Townships and Hostels, as most of these people are employed by the European population in most cases at wages which are inadequate.
- 2. Since the introduction of the Beer Halls the City Council has adopted the practice of making the N. R. A. self balancing. This policy is against the previous practice of the Council, as for 23 years deficits on the Native Revenue Account were made a charge against General Rates.
- The Beer Hall Profits are now becoming so substantial that the moral issues are likely to be overlooked and instead of the Beer Halls being established for the ostensible purpose of minimising drunkenness, they are now being used as a money making concern.
- Ratepayers are now no longer called upon to meet the deficits on the Native Revenue Account. Thus the Beer Hall profits are being used to relieve the European Ratepayers of contributions to the Native Revenue Account. Such a practice is unworthy of the European citizens of Johannesburg.
- 5. Since the introduction of the Beer Halls the City Council have ceased to contribute to a number of Native Charitable
  Institutions and have now made the Native population responsible for such contributions through the Native Revenue Account. As the Natives who drink the Beer are not usually the residents of the Locations, this section is subsidising the Location dweller.
- 6. As the Native Revenue Account is now self-balancing and as it would cause considerable hardship to increase the Rents of the houses in the Townships and Hostels, any increased expenditure on social services and amenities will depend on Beer Hall Profits.

- 7. In view of the fact that large sums are spent each year on maintenance of buildings and as reserves for the maintenance of buildings are also created, it does not appear correct that at the end of 30 years the houses and hostels will be valueless.
- 8. In the housing schemes for Whites and Coloureds the rents charged are based not on the cost to the Municipality, but on the ability of the tenants to pay. Any deficits on these schemes are rightly made a charge against General Rates.

## Conclusion.

The time has arrived when the City Council should be urged to realise the responsibility of European Citizens of Johannesburg to the Natives in the Townships and Hostels and fix a policy based on the needs of the people. Such a policy would mean inter alia:-

- 1. A contribution to the Native Revenue Account out of General Rates.
- 2. A reconsideration of the Beer Hall system in which moral issues are not outweighed by financial considerations.
- 3. Provision of adequate amenities and services.
- 4. Provision for the cultural life of the People.
- 5. Provision for an adequate Medical Service.
- 6. Provision of Social Centres, etc., etc.
- 7. Building of Schools so that each child can be educated.

Such a policy would in the long run be one of the finest things the Johannesburg Council could do and the European population would benefit as much as the Natives. **Collection Number: A1132** 

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