

FSAW BA 4.1.3

INFORMATION NOTES ON INCREASED RENTALS IN JOHANNESBURG MUNICIPAL
SUB ECONOMIC HOUSING SCHEMES FOR AFRICANS

Local authorities appeal to Government that their losses on sub economic houses have become too heavy.

"After receiving continued and justified representations from Local Authorities about the excessive losses they have had to bear on sub economic housing every year the Government has issued this directive." (Chief Information Officer, Department of Native Affairs).

Instruction to Local Authorities from Minister of Native Affairs, 28th July, 1954.

- (1) Tenants above £15 per month incomes to pay 3/-d extra rent for every 10/-d income in excess of £15 until full economic rental reached.
- (2) Income of £15 per month to include -
 - (a) Average monthly earnings plus allowances over 12 months to June of every year.
 - (b) half fixed income of each child residing with tenant to maximum £4 per month for each child.
 - (c) full amount paid for board and lodging by each lodger to maximum £4 per month per lodger. (N.B. This to apply only to tenants earning below sub economic ceiling when granted occupation, others to vacate houses immediately).
 - (d) onus on tenants to prove before 30th September of each year that the thus calculated averaged less than £15 per month during 12 months ending June 30th.

Local Authorities were further instructed -

- (1) to promulgate these tariffs and to make provision for payment of revised rentals by October 1st, 1954 or to forfeit permission to recover share of losses from Native Revenue and Kaffir Beer Accounts.
- (2) to submit economic rentals tariff to Advisory Boards and to report to Native Affairs Department if no report within a reasonable period. (N.B. no provision for any action to be taken as result of Advisory Boards recommendations)

Local Authorities were recommended -

- (1) to reduce cost of dwellings to cost low enough to allow 20% of income of tenant to cover cost, even if below prescribed limit, and thus to render rent economic.
- (2) to consider converting sub economic houses to economic purchasing schemes on leasehold basis.

ACTION TAKEN BY JOHANNESBURG CITY COUNCIL

A. Non-European Affairs Department states -

- (a) 60% of Council's tenants are sub economic (i.e. cannot afford to pay economic rent) and many are sub/sub-economic (i.e. cannot afford to pay any rent.)
- (b) part of Council's present loss (£358,000 (£373,000 including capital redemption) due to conditions on which housing funds are obtained
 - (i) Many houses built during period 1944-49 when interest rate was increased from $\frac{3}{4}\%$ to $3\frac{1}{4}\%$.
 - (ii) Council finds difficulty in collecting Government's share of losses.
- (c) urgently necessary to move economic tenants to economic schemes or to charge an economic rental for economic tenants.
- (d) important to realise "rentals must always be within ability of tenant to pay".

- Suggests:
- (a) Reassessment of rentals of all houses on differential basis, according to cost of house, condition, accessibility to transport, services, etc.
 - (b) reassessment cannot be fully economic on account of low incomes of tenants.
 - (c) incomes to be assessed according to Verwoerd's schedule, but sub economic ceiling to be set at £20, not £15.

- (d) regulations must be amended to conform to Verwoerd's requirements but negotiations to be continued, although no concessions yet obtained from National Housing Commission re raising of sub economic ceiling from £15 to £20.
- (e) Council should fix £20 as sub economic ceiling and accept responsibility for any losses ensuing as result of refusal to conform to Verwoerd's requirement.
- (f) Council should request National Housing Commission for conversion of $3\frac{1}{4}\%$ loans to $\frac{3}{4}\%$ loans and thus reduce losses irrecoverable on account of non co-operation with Verwoerd.

B. Meeting with Joint Advisory Boards

- (a) Chairman explains that directive emanated from National Housing Commission and Native Affairs Department, not from City Council or Municipal N/E Affairs Department.
- (b) Economic rentals had been worked out but discarded by the N/E Affairs Department and increased rentals proposed which were not truly economic, but assessed according to value of house. Some rents would even be reduced (N.B. How "sub economic" could they have been?)
- (c) In reply to suggestion that £20 should be earnings of tenant only, and not family income, N/E Affairs Department states that 84% of family incomes are probably below £20.
- (d) In reply to query re purchasing, Boards informed that this only applies in economic schemes; necessary to reserve sub economic houses for renting to sub economic tenants.

Boards insist on referring issue to tenants before submitting report, despite pressure from Council to give spot assurances of recommending increases to tenants.

Joint Advisory Boards Report submitted.

- (1) Points out that families cannot live on £15 or £20, but that average family of 5 in W.N.T. needs £32 per month to live economically.
- (2) Points out rise is very steep and sudden.
- (3) Urges that wage levels should be raised before any increase in rent could be considered.

Final decisions of City Council.

- (1) to make application to National Housing Commission for conversion of $3\frac{1}{4}\%$ loans
- (2) in return for (1) to apply revised rentals to all houses (according to City Council tariffs, not Verwoerd's tariffs).
- (3) to revise rentals first after 3 years, then after 5 years.
- (4) to apply £20 as sub economic ceiling for families accepted after 1951 and to apply to all families if National Housing Commission agrees to convert $3\frac{1}{4}\%$ loans to $\frac{3}{4}\%$.
- (5) to accept all tenants as "economic", if not proved to be sub economic.

Council agrees to promulgate Verwoerd's regulations, presumably to protect themselves and to guarantee recovery of loss for families under £15 per month income. (N.B. from whom personally the City Council will also claim increased rents in many cases.)

Council sends out -

- (1) circulars demanding information re incomes of tenants.
- (2) follow-up notices stating that unless Department is satisfied before 1.10.54 that family income is below £15, tenant will be responsible for full economic rental.

GAZETTED RENT INCREASES 27.10.54.

Despite City Council's proposals to accept £20 as sub economic level, the Provincial Gazette 27.10.54 published the City Council's proposed scale of increases, BUT APPLIED TO VERWOERD'S ECONOMIC CEILING OF £15, not to £20. Thus any merit attaching to the Council's scheme falls away. N.E.A.D. claims this is unavoidable as Verwoerd's ceiling is law and must be enforced. But there is no penal sanction, only a financial sanction in that losses could not be recovered through the Native Revenue or Kaffir Beer Accounts for houses occupied by families with between £15 and £20

monthly incomes. The Council will, however, enjoy increased income in any case through imposing 15% and 34% increases on many houses occupied by families below the £15 limit. N.E.A.D. also pleads that it is hoped that the position is temporary and that eventually the £20 limit will be permitted for Johannesburg. Meanwhile increases of the most drastic nature have been imposed.

SCHEDULE OF MONTHLY RENTALS ACCORDING TO CITY COUNCILS

		<u>Old Rent</u>	<u>New Rent</u> (Under £15)	<u>New Rent</u> (Over £15)
<u>2-roomed.</u>	Eastern Native Township)	17/4	£1. -. -. .	£2. 5. -. .
	Western Native Township)			
	Orlando	22/6	22/6	£2.10. -. .
	Jabavu			
<u>3-roomed.</u>	Eastern Native Township)	22/8	£1.10. -. .	£2.15. -. .
	Western Native Township)			
	Orlando	32/6	£1.12. 6. .	£2.17. 6. .
	Jabavu			

EFFECT OF GAZETTED INCREASES

- (1) Below £15 per month. -
 - (a) on 2-roomed houses 2/8 or 15% increase (Jabavu no change)
 - (b) on 3-roomed houses 7/4 or 34% increase (Jabavu no change)
- (2) On any income over £15. (e.g. £15.10. -. .)
 - (a) on 2-roomed houses £1. 7. 8. increase 160% (Jabavu - £1. 7. 6. increase 122%)
 - (b) on 3-roomed houses £1.12. 4. increase 143% (Jabavu - £1. 5. -. . increase 77%)

N.B. Applied to Verwoerd's ceiling of £15, the City Council's increases are far more drastic in their effect upon people in the £15 - £20 group as there is no sliding scale and the increases become operative immediately.

EFFECT OF SCHEDULE ACCORDING TO VERWOERD

- (1) Below £15 per month, no increase.
- (2) On £15.10. -. . per month an increase of 3/-d, on £16. per month - 6/-d, and so up until £3.10. -. . per month is payable.
- (3) On an increase of £21.10. -. . some families would be paying £3.10. -. .; Non-European Affairs Department claims this is correct proportion, quoting international standard of "not more than 20% of income should be paid as rent". BUT this proportion assumes an economic income. £21.10. -. . for a family is not economic.

WHAT IS AN "ECONOMIC INCOME" FOR AN AFRICAN FAMILY?

Various attempts have been made from time to time to survey the socio-economic conditions of urban African families and average "Poverty datum lines" and minimum "essential requirements" have been assessed. But these are based on the lowest possible level of requirements and assume opportunities of purchasing at the lowest possible level. Poverty Datum Lines must especially be treated with caution because they do no more than assess the minimum required for an individual to 'subsist' in theoretical health, under prevailing local conditions.

Professor Batson of Cape Town University states unequivocally - "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 fares, for newspapers, stationery, tobacco, sweets, hobbies, gifts, pocketmoney or comforts 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. It thus admirably fulfils its purpose of stating the barest minimum upon which subsistence and health can theoretically be achieved under Western conditions. It does not in any sense describe even a minimum ideal".

What is the Poverty Datum Line of an average African family? Surveys in Alexandra Township by the Entokezweni Family Centre show that in June 1953 a

household of five persons required £17.17. 7. for this minimum standard, excluding rent and transport. And of the families surveyed on this basis, 34% had incomes which fell below the Poverty Datum Line itself, and could not therefore afford to pay any rent.

Another significant comment - "The basic concept in determining rent-paying capacity is that, before a household can afford to pay rent it must have an income sufficient to provide its members with those necessities of life essential to the maintenance of minimum standards of health and decency". (First Report of the Socio-Economic Survey at Payneville Location, Springs, published by the Building Research Institute, July 1953.)

In Orlando or any other of the municipal sub economic townships, Poverty Datum Lines are not likely to be much different from those in Alexandra Township since -

- (1) rent, the main factor of reduced expenditure in sub economic townships is excluded from the calculation.
- (2) rail fares have increased since September, 1954.

The Institute of Race Relations has produced significant figures from a survey of 37 families living both in municipal townships and Sophiatown, Alexandra Township, etc. An estimate was made of the essential requirement for a family of five and of the cost.

Essential requirements are -

- (1) FOOD: calculated on a scientific minimum diet.
- (2) RENT: calculated on present sub economic rentals.
- (3) CLEANING: soap, polishes, disinfectants.
- (4) TRANSPORT: cost of transport to work only.
- (5) CLOTHING is calculated principally on second-hand clothing and on new cheap clothing only where second-hand clothing is not available. Bedding is not included.
- (6) FUEL: coal, wood, paraffin, matches.
- (7) TAX: £1. per year.

The average minimum expenditure for these requirements for a family of 5 living in a sub economic township is £21.17. 2. and £22. -. -. with increased rail fares.

To Verwoerd: £7 over the sub economic level.

To the City Council: £2 over the sub economic level, and with an increase of rent to £2.15. -. the family will require £23.15. -. to live at the lowest level.

N.B. These figures give minimum requirements for living, and are not "economic incomes", but well below. The Joint Advisory Boards suggest £30. These surveys confirm their estimate.

WHAT IS THE AVERAGE INCOME?

HOW DOES IT COMPARE WITH (a) MINIMUM REQUIREMENTS?

(b) VERWOERD'S AND COUNCIL'S SUB ECONOMIC LEVELS?

THE AVERAGE INCOME OF THE FAMILY OF AN AFRICAN LABOURER IS ESTIMATED AT £15.18.11. PER MONTH - this is 18/11 over the "economic" level set by Verwoerd but £7 below the minimum requirements at the rent level before the increases.

The Race Relations survey showed that the average African family income today can supply only 64% of the minimum needs. This alarming gap between income and needs is to be widened still further by both Verwoerd's and the City Council's schemes.

DRAFT MEMORANDUM ON THE INCREASING OF RENTS IN THE
ECONOMIC TOWNSHIPS FOR AFRICANS TO BE SUBMITTED TO
CITY COUNCIL OF JOHANNESBURG BY THE FEDERATION OF
SOUTH AFRICAN WOMEN.

This memorandum is submitted to the City Council of Johannesburg by the Transvaal Regional Committee of the Federation of South African Women, a national organisation of women of all racial groups who are pledged to unite women in common action for the protection of women and children, for the achievement of a full and free life for the individual and for the family.

As a Women's organisation, the Federation has been profoundly disturbed by the recent proposals to increase the rentals for all sub-economic houses, and particularly by the gazetted amendments to the regulations for the municipal locations of Johannesburg, by which the burden of increased rent fell upon the very people who could least afford it.

The Federation realises that these amendments have now been declared invalid by the judgments of the Supreme Court on 30th November, and that the tenants have thereby been granted a reprieve, but it must be accepted that this relief arose from a legal enactment and not from any modification of the intention of the City Council to reduce the operational losses of sub-economic housing schemes by increasing the rentals for all tenants, no matter how low the family income.

That the provision of sub-economic housing places a heavy burden upon the City Council is well known; the rapid process of industrialisation which has taken place in Johannesburg has created a drastic need for immediate housing which is probably almost unparalleled in the world today. Hundreds of thousands have been drawn over the past three decades to the city to seek employment, to contribute through their labour to the ever increasing wealth of this great metropolis with its lightning development. The difficulties experienced by the City Council in obtaining adequate capital sums for the erection of housing schemes, in arriving at any satisfactory formula for the equitable distribution of the operational loss as between the central government and the local authority are also well known. It is apparent that a situation has arisen in which the City

Council is faced with steadily increasing and accumulating losses on the provision of sub-economic housing, but nevertheless the Federation of South African Women earnestly requests the City Council to give attention to the following statements:

1. The necessity for sub-economic housing arises primarily from the prevailing low wage level; each and every human being has a fundamental right to be able to provide through his labours a roof for his family, but where the wage level is so low that he cannot afford to pay the ruling economic price of building or renting a home the provision by the local authority of some form of subsidised housing becomes inevitable. The City Council has to some extent shouldered this responsibility for the underpaid citizens by the provision of sub-economic housing schemes.
2. The housing situation thus revolves around the ability of the tenant to pay and it is thus essential that the true economic position of the urban African family be established. Surveys of urban African families have been conducted from time to time by recognised bodies; the latest is that published in November 1954 by the South African Institute of Race Relations, which demonstrates conclusively that an African family of five (the average size for an urban African family) cannot provide the barest minimum requirement of food, rent, transport, clothing, cleaning materials and tax for less than £22.10. 0. per month; these estimates are based solely on essentials and exclude normal expenditure on church dues, insurance, transport to schools, or replacement of bedding, crockery, kitchen utensils. It is therefore undeniable as a result of these surveys, scientifically and objectively conducted, that an average urban African family requires not less than £30 per month to live as a family. But the average earning capacity of the urban African is only half this sum; it has been estimated at £15.18.11. per month inclusive of any earnings of the wife. It is clear therefore that families with less than £15 a month cannot in fact afford to pay any rent, and that families with less than £30 a month can afford to pay only a subsidised economic rent.
3. A factor which cannot be overlooked in relation to the living conditions of urban Africans is that the implementation both of the apartheid

policy of the present government and of the policy of residential separation which formerly prevailed, has compelled the urban African to live at a considerable distance from his place of employment, thus increasing the cost of transport. In housing schemes the urban African has no choice, nor can he freely occupy land nearer to his employment, even on an economic basis, therefore rent and transport should be considered together in calculating rents.

4. In calculating rents, moreover, the condition of the house when made available to the tenant, the existence and accessibility of amenities such as schools, clinics, shops, transport, should all be taken into consideration in order to avoid invidiousness.

The Federation of South African Women therefore urges the City Council to consider this whole intricate and difficult problem of sub-economic housing from the humanitarian aspect, to realise that the existence, the health, the wellbeing of thousands of families will be inevitably jeopardised by any increase of rent. Our organisation draws the attention of the City Council to the danger of reducing the health level, and consequently the production potential of the African working population. The wealth of Johannesburg is based upon the productivity of the working population, be they white, black or coloured. To depress the living standards of the Africans below the present dangerously low level by increasing rents can have only one effect; the extra money needed for the increased rent can be found only from the money available for food. South Africa's record of malnutrition is already unenviably high. The Federation appeals to the City Council not to raise it higher.

From the economic angle, the Federation urges the City Council seriously to consider approaching the central Government for a revision of the restrictions placed on the Native Services levy, so that some of the rapidly accumulating funds can be diverted towards the cost and provision of sub-economic housing. Further, the Federation draws the attention of the City Council to the unsatisfactory system of municipal rating through which owners of large built-up properties, whether flats or offices, are able to evade their true responsibilities towards the

underpaid workers of the City of Johannesburg.

Finally the Federation appeals to the City Council on the grounds of mercy and justice. Before new rentals are finalised and gazetted, let the City Council of Johannesburg play its true role as the guardian and protector of the city and its residents, irrespective of colour or race, and refrain from any measures which may further oppress the low-paid African population, already engaged in a desperate struggle for existence.

Regional Chairman.

Transvaal Region of the Federation of
South African Women.

Collection Number: AD1137

FEDERATION OF SOUTH AFRICAN WOMEN 1954-1963

PUBLISHER:

Publisher:- Historical Papers Research Archive

Location:- Johannesburg

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