

JDR/MHR.

A.A.C.

28th June, 1949.

The Secretary,
S.A. Federated Chamber of Industries,
P.O. Box 3531,
JOHANNESBURG.

Dear Mr. Burger,

NATIVE HOUSING.

Many thanks for your kindness in sending me a copy of your Chamber's memorandum on this subject, which I have to read with great interest.

My own view on the question of financial responsibility is as follows :-

Assuming the productive power of a native in a native reserve to be "X", on his entry into an industrial occupation his productive power is increased to XV. The economic effects are

- (1) an increase in the national income and consequently an increase in the national taxable income which benefits the Government;
- (2) an increase in the economic activities within the urban area concerned (assuming the industry to be in or near a municipal area) and a consequent increase in the municipal valuations, so that the municipality derives a greater revenue from rates; no doubt, also, its public services benefit;
- (3) an increase in the productive power of the industry concerned and in the turn-over of commercial and industrial concerns generally;
- (4) an increase in the possibilities of amenities for tax and rate payers generally.

It will thus be seen that the Government, municipalities, employers, and ordinary citizens gain by the presence of natives in industry. In so far as employers are concerned, we have in existence wage regulating machinery through which the wages of native workers are adjusted with due regard to "the capacity of the industry to pay", and it seems to me quite wrong to depart from this method of assessing an employers liability in respect of wages and his responsibility for seeing that the workers' wages are adequate for his social needs.

/We.....

The Secretary,
S.A. Federated Chamber of Industries.

28th June, 1949.

We have by law prevented private enterprise from catering for the housing needs of natives and both the Government and municipalities accepted that responsibility (mainly for racial reasons) when they secured the passing of the Natives (Urban Areas) Act in 1922, and they have been negligent in carrying out their responsibilities. They should not now be allowed to evade them.

If, taking all things into account (that is, such factors as efficiency and the colour bar) it is felt that natives wages are too low, the ordinary wage regulation methods should be applied to assess the wages that should be paid: it should not depend upon a Minister's Whim or even a decision of Parliament. If the methods are not as scientific as they might be, the remedy is to make them so.

With kind regards,

Yours sincerely,

J. D. RHEINALLT JONES.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED.

MEMORANDUM FOR MR. HAGART:

HOUSING OF NATIVE WORKERS IN THE CONTROLLED
AREA OF NORTH WESTERN ORANGE FREE STATE

The following comments are submitted on the memorandum on this subject of the Regional Committee.

1. The Minister of Native Affairs is preparing legislation on the housing of natives in urban areas, and I understand that it will include some provisions regarding the obligations of employers.

2. In the Belgian Congo employers have to make a housing allowance in respect of every employee, and the Government (there is no local authority independent of the Government) builds houses. *M.S. Mordena employees pay 87 s month rent to the municipality where the wage is below 7 s. pm.*

3. Our Wage Act lays down that the Wage Board shall, in determining wages, take account of "the capacity of industry" to pay, and in assessing the wage rates the Board has taken account of the cost-of-living. These two factors, however, have been difficult to harmonize, so that minimum wages have hardly satisfied the minimum living requirements of the natives. I believe, however, that it would be undesirable to impose housing obligations upon employers independent of all the other factors which must be considered in wage regulation.

4. Municipalities agree that provision should be made for native housing - both single and married quarters - in the ratio to European housing of 1 : 1.

5. The Germiston Municipality reckons that family accommodation for industrial native workers should be provided on the basis of 10 families per acre of industrial area. This is independent of accommodation for single natives.

6. We are laying down for Welkom the rule that single industrial workers shall be accommodated in hostels in an area controlled and administered by the local authority, subject to the exception of "key" natives (such as watchmen and police) on the following formula:

2 acres or less	Maximum No. 3
over 2 acres but less than 5	" " 4
" 5 "	" " 5

The reasons for this policy are:

- (a) It ensures police control,
- (b) It makes the provision of social amenities more convenient and economical.

The foregoing has the full support of the Department of Native Affairs and the National Housing Commission.

7. The Transvaal Township Board requires new townships to set aside an area for native housing or to deposit an amount that will provide for an endowment to require such an area. Town planning should have the support of legislation to require that areas, rather than money, shall be set aside in all township schemes.

8. I do not think that proposal (b) in paragraph 4 of the memorandum would have any practical value. Who is to determine what number of natives the business will ultimately have to provide for? If it is laid down that no native may be employed unless housing has been provided it will have a disastrous effect upon the development of industrial and commercial concerns. The only alternative is either the fixing of a general minimum wage high enough to ensure that the natives can pay rent, or to require employers to pay a house allowance (either to the native or to the local authority), *or that the Government accepts a greater responsibility in all these provisions together (see para 11 below)*

9. I attach a copy of recommendations recently made by the Non-European Affairs Committee of the Johannesburg Rotary Club (comprising a good cross section of employers and business executives). *They express my views as I have considered them in drafting them.*

10. The National Housing Commission (members of which I interviewed last week regarding the conditions to be laid down at Welkom) (see para. 6 above) are convinced that Municipalities can manage native housing without loss on the $\frac{3}{4}$ % interest loans.

11. Until the native is able to pay an economic rent the burden of native housing should be borne:

- (a) by the Central Government,
- (b) by the local authority,
- (c) by the employer.

The productive powers of the native in industrial areas is increased many times when contrasted with his productive power in rural areas. The effects of this are:

- (a) an increase in the national income and consequently an increase in the national taxable income which benefits the Central Government,
- (b) an increase in the economic activities within the urban area concerned (assuming the industry to be in or near a municipal area), and a consequent increase in the municipal valuations, so that the municipality derives a greater revenue from rates, and, no doubt, its public services also benefit; and the European population enjoy more amenities,
- (c) an increase in the production of the industry concerned and in the turn-over of commercial and industrial concerns generally.

Thus the Government, local authorities, ordinary citizens, employers and the natives gain. Taxation, rents, and wages are the proper sources from which native housing can be financed.

I have had to write these notes in some haste. A good deal more study of the problem is necessary before legislation can wisely be introduced.

**Suid-Afrikaanse Gefedereerde
Kamer van Nywerhede**

MARITIMEGEBOU 604-617, LOVEDAYSTRAAT.
TELEFOON 33-8707-8. TELEGRAMME: "EMPHATIC"



**South African Federated
Chamber of Industries**

604-617 MARITIME HOUSE, LOVEDAY STREET
TELEPHONES 33-8707-8. TELEGRAMS: "EMPHATIC"

REFERENCE 16/5.
VERWYSING:.....

P.O. Box / Posbus 3531,
JOHANNESBURG

5th. July, 1949.

M.
J.D. Rheinallt Jones, Esq.,
Anglo American Corporation of South Africa Ltd.,
P.O.Box 4587,
JOHANNESBURG.

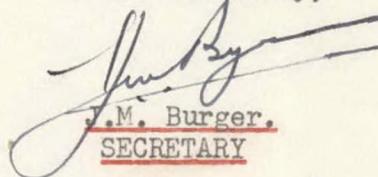
Dear Mr. Rheinallt Jones,

NATIVE HOUSING

Thank you very much indeed for your letter of the 28th. ultimo, giving your views on the question of financial responsibility for Native accommodation.

In view of the Minister's decision to defer the clauses in the draft Bill relating to Native housing to the 1950 Session, pending a full departmental enquiry meantime, we will have to proceed to a detailed examination of all the factors and arguments against employer responsibility and in view of your interest in the subject, I propose to let you have copies of any further memoranda which we may issue.

Yours sincerely,


J.M. Burger.
SECRETARY



JMB/DvW

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DIE VELDTOG
„KOOP SUID-AFRIKAANS“



SUPPORT THE
"BUY SOUTH AFRICAN"
CAMPAIGN

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Transvaal Chamber of Mines,
Johannesburg.

20th October 1949.

R. B. Hagart, Esq.,
Anglo American Corporation of South Africa Ltd.,
44, Main Street,
JOHANNESBURG.

Dear Mr. Hagart,

I return the memorandum by Mr. J.D. Rheinallt Jones in connection with the housing of Native labourers in the Orange Free State.

This question was discussed in Pretoria on the 20th September at a joint meeting between the Natural Resources Development Council and the Regional Committee. It was then agreed that the views of interested parties should be obtained as soon as possible and I understand that a meeting was subsequently held in Kroonstad. I shall doubtless hear the result of that meeting in Bloemfontein on the 27th October when the Regional Committee will assemble again.

Yours sincerely,
(Sgd) JOHN W. SHILLING.

Enclosure.

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