

File #

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Mr. P.R.B. Lewis.

MARKED COPY
FOR MANAGEMENT
COMMITTEE

NON-EUROPEAN AFFAIRS COMMITTEE.

67.

A SPECIAL MEETING OF THE ABOVE COMMITTEE WILL BE HELD ON TUESDAY, 27TH MARCH 1962 AT 9.00 A.M.

ROSS BLAINE,

22nd March 1962.

CLERK OF THE COUNCIL.

A G E N D A.

1. LEAVE OF ABSENCE.

2. REPORTS. (Attached.)

(a) Town Clerk's Department.

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(b) Non-European Affairs Department.

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(c) City Treasurer's Department.

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JS/IG.
22.3.62.

SHIRK re City Hall.

NON-EUROPEAN AFFAIRS COMMITTEE.

(Special Meeting : 27th March 1962.)

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NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

COMMITTEE.

TOWN CLERK'S DEPARTMENT.

DAY AND HOUR OF MEETING.

On the 14th March 1962 the Committee resolved that the ordinary meeting of the Committee be held on the Wednesday of the week following the ordinary meeting of the Council at 2.15 p.m.

In terms of the Committee's resolution of the 16th March 1962 this matter is submitted

FOR RECONSIDERATION.

RESOLVED:

That the ordinary meeting of the ^{Committee}~~Council~~ be held on the Thursday of the week following the ordinary meeting of the Council at 2.15 p.m.

NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

COMMITTEE.

TOWN CLERK'S DEPARTMENT.

DAY AND HOUR OF MEETING.

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FOR RECONSIDERATION.

(c/c. 24/62)

MANAGEMENT COMMITTEE. (2.4.62.)

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NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

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RENT ARREARS : SOUTH-WESTERN NATIVE TOWNSHIPS. *(To be considered in conjunction with Report No. C.T. 1/62 appearing on page 18 of this agenda.)*

This problem which has formed the subject of numerous reports and discussions over the last few years has been building up since the introduction of differential rentals based on family earnings. In terms of a ministerial determination of the 28th October 1955 a family income exceeding R30 a month is regarded as economic. In an effort to lessen the burden on the poorer section of its tenants in its sub-economic townships the Council decided in March 1956 (Minutes page 305) to regard all Natives whose income is below R40 as being sub-economic. This concession by the Council is costing the General Rate Fund some R180,000 a year.

Notwithstanding this considerable subsidy towards Native house rents the introduction of differential rates led to agitation and intimidation of people not to disclose their income. The leader of this group was prosecuted and convicted. His unsuccessful appeal against the conviction naturally took some time and during this period tenants ceased to pay even the old rent so that prosecutions had to be instituted against those with the highest arrears. When the Magistrate's attention was directed to the pending appeal he would not convict and remanded the cases until the appeal had been heard. When the appeal was eventually dismissed a huge backlog had already built up as shown by the following figures:-

<u>Date.</u>	<u>Amount of Arrear Rental.</u>
30th June 1956	R21,614
30th June 1957	R45,024
30th June 1958	R211,654

A further factor was the inability of the Non-European Affairs Department to eject families from Council houses: the Messenger of the Court refused to execute warrants of ejectment granted in criminal courts. Representations were made to the Magistrate, the Court Messenger and the South African Police in an endeavour to have the warrants executed but with no success.

In addition to the foregoing more houses have since been built which has naturally aggravated the problem and notwithstanding special arrangements by the Department and special court facilities provided by the Chief Magistrate at Kliptown, the problem has not diminished to any appreciable extent as the following figures indicate:-

:- Period ...

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WARRANT OF ARRESTS.

<u>Period.</u>	<u>No. of Summon- ses.</u>	<u>Dwel- lings.</u>	<u>Tra- ders.</u>	<u>Contempt of Court.</u>	<u>Failing to Carry Out Order.</u>	<u>Fines.</u>
1.8.59-31.1.60	3,909	3,826	83	422	152	£1,917.10.0.
1.2.60-31.7.60	4,404	4,346	58	787	278	£2,017.12.6.
1.8.60-31.1.61	7,652	7,467	185	997	442	£2,763.10.0.
1.2.61-31.7.61	18,821	18,504	317	2,474	909	R13,141

The position is further illustrated by the following:-

	<u>31.12.60.</u>	<u>30.6.61.</u>
(a) Number of tenants in arrears for two months or longer	14,581	13,513
(b) Total amount of rent arrears	R471,676	R428,060
(c) Number of rent cases disposed of in the six months preceding	3,376	13,481

The efforts of the Department to arrest the position is reflected in the following schedule of staff made available in connection with rent prosecutions:-

- 1.3.59. One Prosecution Inspector and Two Court Messengers.
- 1.6.59. One Prosecution Inspector,
 One Assistant Prosecution Inspector,
 One Bantu Clerk and
 Eight Bantu Court Messengers per Assistant District Officer.
 (Municipal Police temporarily withdrawn from ordinary township duties.)
- 1.10.60. Two Rent Collection Officers,
 One European Clerk,
 Two Bantu Clerks and
 Eight Bantu Court Messengers per Assistant District Officer.
 (Municipal Police temporarily withdrawn from ordinary township duties.)

:- 1.5.61.

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- 1.5.61. Two Rent Collection Officers,
 One Inspector (seconded),
 One European Clerk,
 Four Bantu Clerks (two seconded) and
 Eight Court Messengers per Assistant District
 Officer.
 (Municipal Police temporarily withdrawn from
 ordinary township duties.)

It will be seen, therefore, that following on the period during which the Council was powerless to act against rent defaulters the problem has grown considerably and for the reasons explained earlier there is a suspicion that registered tenants hoped, in the light of agitation and intimidation, that they could get away with it.

Lengthy reports by the Manager of the Non-European Affairs Department which were submitted to the Non-European Affairs Sub-Committee on the 7th November 1961 and the 21st February 1962 detailing various alternatives to the present method of rent collection, manner of payment, extended hours of business, procedures adopted elsewhere, etc. are laid on the table.

The Sub-Committee considers that resentment is being caused by the procedure presently followed and that modified measures should be found. No easy solution to this problem is available nor can any one step secure the desired result. It is probable that in the final analysis only drastic action such as ejection will force defaulters to meet their obligations.

The following proposals outlined under headings have been carefully considered by the Sub-Committee and are submitted for consideration:-

A. DETERMINATION OF RENTALS.

The present system of having two main rent tariffs with further adjustments occasioned by the "sliding scale" for many thousands of the Council's houses, leads to endless complication and difficulty. One way out of this impasse would be to promulgate only one rent for each class of house (based, if at all possible, on the size of the house) and to require the tenant to pay that rent unless he can prove through a document submitted by his employer that his income is below the arbitrary figure laid down by the Government, namely R30 a month. If a tenant submits this proof then his rent should be automatically remitted from the promulgated tariff to a lesser figure calculated on a sub-economic basis, and

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the Council would then be justified in submitting a schedule of all such houses to the Bantu Housing Board with a claim that loan charges be repaid at ~~3%~~ rather than the ruling economic rate of repayment. Furthermore, tenants who can prove that they have been unemployed through illness or some other serious cause should have their rent remitted for the entire period of such illness in the discretion of the Superintendent based on a welfare report.

This is considered to be extremely important as it removes the penal implications from the process of collecting rent and places it on a welfare footing. To ensure that the Superintendent is in possession of accurate information in regard to the troubles which any particular family may be experiencing, it is essential to attach to his staff an adequate number of trained welfare workers of sufficient status to make positive recommendations for the remission of the whole or any part of the rent.

The present system of calculating rental charges on the income of tenants for the twelve months preceding the current financial year caused resentment by tenants and considerable administrative problems as well as a volume of clerical effort which could be more constructively used. For this reason it is suggested that the whole rental assessment system be discussed with the Secretary for Bantu Administration and Development with a view to substituting a system of rental charges based on the size and type of the accommodation occupied by the family rather than on the income of the tenant. There is the risk that the abolition of the rental assessment system based on income may result in the Government requiring the Council to regard all housing as economic and this aspect will have to be discussed with the Bantu Administration Department and an attempt made to point out the disadvantages of the present cumbersome system.

In pursuance of the preceding paragraph it is suggested that rents should be fixed on a basis of laying down a round figure per room so that tenants will know beyond any doubt what the house rent will amount to. It has been ascertained that there are at present 170,848 actual rooms in 46,678 Municipal houses in the different townships excluding houses which have been either self-built or sold to tenants. Western Native Township, because of its early demolition, has also been excluded. The total debit in respect of the number of houses specified amounts in round figures to R230,000. It would, therefore, appear that if every room in the location were assessed at a rental of approximately R1.35, the present debit would be obtained. This system would mean that the rent for the smallest houses consisting of two rooms in Orlando East, presently let at a sub-economic rent of R1.73 (promulgated rental for new sub-economic tenants R2) will become approximately

:- R2.70 ...

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R2.70. However, it must be pointed out that the full economic rent for this same house under present tariffs is R4.50, when the tenant earns a fully "economic" wage. Conversely the 4-roomed houses in the new areas presently let at a fully economic rental of R5.50 will be reduced to R5.40. (The flat rate per room may well have to differ between semi-detached and detached houses, but this aspect can be investigated.)

The idea of a rate per room is considered to be sound and the difficulties in correlating the rentals while yet maintaining some parity with the existing rental structure are not insoluble.

A flat rate per room should, of course, not affect the provision for the remission of rent in cases of hardship.

B. RECOVERY OF CURRENT AND ARREAR RENTALS.

Suggestions have frequently been made from different quarters that the whole of the outstanding arrears should be written off and that every tenant should be regarded as starting off with a clean slate. The Sub-Committee does not support this because it ignores the fact that a substantial portion of the arrears which have accumulated are as the direct result of political agitation on the part of certain persons in the past, and therefore the writing off of arrears will encourage this sort of subversive activity and bolster up those Advisory Board Members who have made the main plank in their electioneering campaigns the promise to secure the writing off of all arrear rentals. Any such action will render the Manager's task impossible in the future to get people to realise that they have an obligation for paying rent for the accommodation they occupy.

On the 29th July 1960 the Committee authorised the Manager in those cases where he considers it necessary or desirable, to invoke the provisions of Section 20(3) of the Natives (Urban Areas) Consolidation Act, 1945, and to arrange for the introduction of this system on a voluntary basis. All attempts to secure the implementation of this section by this means have failed and the Manager considers that compulsory action will have to be taken in certain specified cases, following the procedure laid down in Proclamation No. 180 of 1938.

When considering the introduction of any form of compulsion on employers it is considered that a start should be made in respect of the Council's own employees and for this reason it is felt that stop orders should be introduced immediately on the wages of such tenants who are employees of the different departments on a weekly basis so that their rent is paid for at source.

:- As ...

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As an alternative to invoking the machinery provided under Section 20(3) of Act 25 of 1945 the suggestion is advanced that the Council make available for sale to employers of Natives who are tenants of the Council's locations, "cash credit slips", as per pro forma attached (Annexure A), which can be made available by the employer to his individual employee at the time of paying over his weekly or monthly wages, either as a deduction from such wages or supplementary thereto and that such credit slips will then be "paid in" by the Native tenant to the appropriate Municipal office as part payment for the rent which he owes. These vouchers can be provided in different denominations and to avoid malpractices a tenant could endorse his house number and append his signature on each to ensure that the amount is correctly credited to his own rent account. It is hoped that the introduction of this or some modified system along these lines will encourage employers to take a more direct interest in paying of rent by their servants and may result in benevolently disposed employers making such credit vouchers available to their servants in addition to their present wages rather than deducting the value from the wages. There are obvious difficulties in this suggestion but it is felt that the idea has sufficient merit to warrant its submission for consideration. It is stressed that this scheme is designed as a voluntary alternative to Section 20(3) and its successful implementation will depend entirely on proper publicity given and its acceptance by employers.

Certain local authorities have a clause in their Native Location Regulations that the Superintendent is empowered to remove, impound and sell the furniture of defaulting tenants, and it is suggested that a similar provision be incorporated in our local Regulations. (This action to be used as a first step before invoking Section 15 of Section 58 of the Housing Act, i.e. ejection).

C. ACTION IN RESPECT OF RENT DEFAULTERS.

The Sub-Committee considers that instead of waiting until after the expiry of one month in order to take action in terms of Section 14 of the Local Regulations, the Location Superintendent should as soon as possible after the due date ascertain why the current rent had not been paid and then put the necessary administrative machinery into operation depending on the circumstances.

Cases will, however, continue to arise where it will be necessary to take action in terms of Section 14 of the Location Regulations which is the section imposing penal sanctions for non-payment of rent. It is important to retain this right of action against persons who deliberately flout authority and who

:- recklessly ...

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recklessly continue to avoid meeting their obligations without regard to consequential hardships which may be suffered by their dependants.

Direct action against tenants in the form of ejection is possible in terms of Section 58 of the Housing Act without the intermediate step of invoking Court action. This section provides for the repossession of houses by a local authority under specified conditions. If a tenant of a house constructed by a local authority fails to pay the rent payable by him on due date, the local authority may, after giving seven days' notice in writing by an officer authorised in writing by it - i.e. the local authority - and without obtaining any judgment or order of the Court, enter upon and take possession of the dwelling in respect of which the rent is owing. The application of this Section was authorised by the Non-European Affairs Committee on the 8th June 1961.

To overcome the disadvantages inherent in bringing rent defaulters before the criminal Courts in terms of Section 14 of the Location Regulations, it is suggested that instead a "Municipal Court" or "Municipal Rent Board", to be presided over by one or more Councillors being members of the Non-European Affairs Committee, be set up in the South-Western Native Areas and that Superintendents be authorised to bring before this "Municipal Court" rent defaulters who have refused or failed to comply with arrangements entered into with such tenants and that the "Court", in order to act as an effective instrument, should enjoy delegated powers from the Council to order immediate action in terms of Section 58 of the Housing Act referred to earlier.

The following steps are visualised:-

- (a) Notice by the Superintendent to the tenant to call at the office to make arrangements for the payment of arrears.
- (b) Failure to make satisfactory arrangements or to honour arrangements made results in summons to the "Municipal Court".
- (c) Order to pay by the "Municipal Court".
- (d) Failure to comply with the "Municipal Court's" previous order results in the "Court" making one or more or any of the following rulings:-

:- (i) ...

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- (i) Sale of furniture (when provision is made in the Location Regulations).
- (ii) Immediate action in terms of Section 58 of the Housing Act.
- (iii) Criminal prosecution to be instituted in the normal way in terms of Section 14 of the Location Regulations to recover arrears.

To effect closer liaison between the Department's Labour Bureau and the locations the Manager should be authorised to arrange through the Registering Officer to afford preference in placing in employment registered tenants from the locations who are unemployed and that any registered tenant in arrear with his rent who has refused three consecutive offers of employment, consideration should be given to his ejection without further notice in terms of Section 58 of the Housing Act.

The number of defaulters brought before Court is so considerable that there is no doubt that mistakes and anomalies do occur. To minimise these the full-time employment of one or more "prisoner's friend" is considered essential. Such a person should preferably be a trained Welfare Officer and should be empowered to enter into arrangements with the employers of Natives who have been brought before the Court, with a view to preventing unnecessary or undue hardship. In this connection the Manager points out that experience reveals that where a Council or Government employee is confronted with the alternative of going to gaol or making an immediate payment into Court, the "prisoner's friend" has found in practice that no Council or Government official has the authority to make any such payment, in contra-distinction to private enterprise where the experience is that the majority of employers respond instantly to such an appeal and pay the required amount there and then.

The act of ejection is not always the deterrent it may seem at first sight, for the reason that Native families are obliged by law to live in proclaimed Native locations and nowhere else, so that the ejection of a defaulter from his municipal house results in the inconvenience and difficulty occasioned by such loss but usually results in practice in his having to be accommodated probably in the same location as a sub-tenant, and this step - if resorted to on a large scale - may result in other problems such as overcrowding emerging.

:- Notwithstanding ...

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Notwithstanding the measures advocated the Manager is compelled to record the fact that a substantial percentage of tenants will refuse to make any attempt to pay their rent unless forced to do so either by the Courts or other serious administrative action. The proof of this is to be found in the fact that the Department issued 30,000 summonses for the twelve month period ending 31st December 1961.

Experience has clearly demonstrated that persons in this category will not respond to appeals or administrative arrangements for paying their arrears no matter how sympathetically their cases are handled, and that some punitive action is nearly always the only recourse.

D. STAFF.

Experience has shown that Superintendents achieve greatest success in maintaining arrears at a low level as well as the general efficiency of their township at a maximum level if the unit under their control does not exceed 2,000 sites. To achieve this standard certain of the present administrative units will have to be reduced in size and this will have staff implications.

The experiment of employing a number of Bantu Rent Collectors specially recruited and trained for the purpose and attached to the Location Superintendent should be tried. They will be furnished with lists of tenants in arrear and it will be their task to interview and follow up defaulters as a preliminary to more serious action being taken against him.

In implementing the new procedures suggested in this report the Committee must understand that in future the Location Superintendent and his staff will eject the tenant and his family and if it proves necessary to invoke this procedure on a reasonably large scale, there is absolutely no doubt that the action so taken will result in unfair criticism of the Superintendent, the Department and the Council, and may easily culminate in a full fledged press attack on the Council on the grounds of alleged inhumanity, particularly if ejection occurs during bad weather. It is important that the Superintendent should not be placed in the position where he alienates the goodwill of residents and therefore the onus for this unpleasant work should be shifted on to another section of the Department to be created for the purpose.

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E. HOUSING OF POORER CLASSES.

At a special meeting of the Non-European Affairs Committee on the 26th April 1961 it was resolved:-

"That the question of assisting the poorest class of tenants to be moved from Western Native Township by some suitable expedient be referred to the Sub-Committee appointed by the Committee to consider rent remissions."

There are 643 families in Western Native Township earning less than R20 a month and who will obviously not be able to pay the rent of R5.50 in Moroka. The heads of these families are mainly widows, pensioners and disabled persons who have been in Western Native Township for many years and are employed as washerwomen, domestic servants (daily helps) gardeners, food hawkers, etc.

In order to lessen the burden on these families as well as other families with low incomes it is suggested that the proposal to accommodate temporarily two families in one house in Moroka thereby halving the rent to R2.75 a month be approved.

It is apparent that there are tenants who just cannot afford to pay any sort of rent commensurate with the size and standard of the accommodation which they occupy. For such persons it seems inevitable that standards must be reduced to a minimum even to the extent of housing an entire family in one room. It is suggested that the Manager should be authorised to submit a specific scheme on this basis to the Department of Bantu Administration and Development and the Bantu Housing Board.

F. TRADERS.

There are many shops and trading sites in the South-Western Native Areas and at the 30th June 1961, the arrears were R33,082.

There are only 77 shops owned by the Council. Trading sites are leased to Natives in practically all townships and buildings are erected at their own cost. The rents of these shops and sites can be recovered in terms of the Location Regulations. The Council also has power in terms of the Location Regulations to cancel the right of any trader where he fails to pay any sum for which he is liable.

:- Action ...

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Action in terms of this latter provision has been taken in many cases, but in some cases where arrear rents have accumulated it has always been the Superintendent's prerogative to decide the issue himself before making a recommendation to the Council that the trading right should be cancelled. The Superintendent is faced with the difficulty that many traders fall into the hands of unscrupulous people or build up heavy credit accounts which they are unable to pay. The financier has virtually a controlling interest in the trading site concerned and the Superintendent is faced in cases of arrear rent with a trader who is heavily committed to a wholesaler. If he takes the strong line of cancelling the trading right the new lessee will probably be faced with the debts of the previous lessee as the Location Regulations provide that "should the right of any trader, be cancelled he shall have the right to dispose of his interest in such improvements to a purchaser approved by the Council" In effect this means that existing liabilities are taken over with the assets.

In practice the Superintendent endeavours to obtain as much as possible of the arrears, trying at the same time to keep the trader from falling further into debt and so losing his right to the improvements on the site.

The time has arrived, however, when this somewhat lenient action by Superintendents should cease. As soon as a trader falls into arrear steps should be taken to cancel the site and sell the improvements.

G. PUBLICITY.

The adoption of any of the amended procedures suggested should be publicised with sufficient thoroughness to ensure that the entire population, both European and Non-European, is made fully aware of the changes which are to be introduced, and so achieve the maximum effect.

IT IS RECOMMENDED:

(a) That the Manager of the Non-European Affairs Department and the City Treasurer be authorised to arrange urgent discussions with the Department of Bantu Administration and Development with a view to overcoming the problems which exist under the present system of differential rentals based on incomes by:-

:- (i) ...

RESOLVED TO RECOMMEND:

- (a) That representations be made to the proper authorities:
- (i) To fix the sub-economic limit at R40 instead of R30 per month and to exclude from this income any part of the earnings of children or lodgers, or alternatively to increase the limit of R40 per month by R4 per month in respect of each dependant minor child in excess of two; and that the income limit prescribed for Coloureds be increased accordingly.
 - (ii) To permit the Council to promulgate an economic rental and a sub-economic rental for all houses in its Native townships and the Government to bear the loss between the economic rate of interest and the sub-economic rate of interest in respect of every tenant that establishes his sub-economic status in terms of the determination.
 - (iii) That the Council be authorised to classify any economic tenant as sub-economic at any time during the current year should he satisfy the Council that his economic status has changed sufficiently to warrant this action.
 - (iv) That the period of redemption of economic loans should be extended from 30 to 40 years and the consequent reduction in loan charges should be used by the Council either to effect a general reduction in rentals or to offset rising costs and thus avoid rent increases, and/or to supplement in appropriate cases any Government subsidy available to sub-economic tenants in economic schemes.
- (a)bis That it be a recommendation to the Health and Amenities Committee that it should consider and report to the Management Committee on the advisability of including in the representations to be made in terms of (a)(i) a request that the income limit fixed for Europeans should be increased correspondingly.
- (b) That no arrear rents be written off except in cases of individual hardship and with the approval of this Committee.
- (c) (i) That if any tenant fails to pay his rent within seven days of the first of the month he shall be issued with a final demand to pay his rental by the 14th day of the month and notwithstanding any other action which may be taken against him for arrear rent, the Manager of the Non-European Affairs Department take steps forthwith to invoke the provisions of Section 20(3) of the Natives (Urban Areas) Consolidation Act, 1945.
- (ii) That the Manager of the Non-European Affairs Department and the City Treasurer report jointly on the advisability and implications of the universal application of the provisions of Section 20(3) of the Natives (Urban Areas) Consolidation Act, 1945, and that, on receipt of this report, the desirability of interviewing the Native Advisory Boards and the Chambers of Commerce and Industry and other employer organisations be considered.

- (d) (i) That before summons is issued against an employee of the Council, details of the arrear rent should be sent to the Staff Board's Native Labour Branch which should interview the employee and give him the option of signing a form of authority, to the satisfaction of the Clerk of the Council, authorising the deduction of the arrears from his wages over a stipulated period and that, if the employee should refuse to sign the authority, he be regarded as having forfeited claim to sympathetic consideration.
- (ii) That at the same time a notice be served on the City Treasurer in terms of Section 20(3) of the Natives (Urban Areas) Consolidation Act, 1945, to deduct current rent from the wages of the employee concerned.
- (e) That the Clerk of the Council in consultation with the Manager of the Non-European Affairs Department give urgent attention to the redrafting of the Council's Native Location Regulations making provision for the removal and sale of the furniture and movables of rent defaulters.
- (f) That Regulation 13 of the Location Regulations be amended to make the rent payable in advance on the 1st day of the month and that Regulation 14 be amended to make it an offence if the rental is not paid by the 14th day of the month on which it falls due, but that criminal action under Regulation 14 be discontinued except in cases where the following administrative measures have failed to be effective:-
- (i) The Rent Collector appointed in terms of recommendation (j)(ii) has failed, notwithstanding frequent personal visits to the defaulter to obtain the arrears; and
- (ii) The Superintendent has personally interviewed the tenant and is satisfied that the tenant is able to make an arrangement to pay his arrears and has failed to make such arrangement or, having made it, has failed to honour it.
- (g) That the Manager of the Non-European Affairs Department be authorised, after obtaining Committee authority, to apply Section 58 of the Housing Act, 1957, to rent defaulters.
- (h) That the Manager of the Non-European Affairs Department be authorised to afford employment preference to all workseekers who are registered tenants in the Council's townships or the Natives Resettlement Board's area.
- (i) That where a registered tenant in arrears has refused three consecutive suitable offers of employment consideration be given to his ejection in terms of Section 58 of the Housing Act, 1957.
- (j) That the Manager of the Non-European Affairs Department, in consultation with the City Treasurer and the Staff Board, report as a matter of urgency on the financial and other implications of:-

- (i) Accepting as the optimum size for determining staff requirements for the Native townships an administrative unit consisting of (a) 1,500 sites and alternatively (b) 2,000 sites;
 - (ii) The appointment of Bantu Rent Collectors in Superintendents' offices;
 - (iii) The creation of a special prosecution and ejection staff section on the Department's establishment;
 - (iv) The creation of one or more positions of "prisoners' friend" in the Non-European Affairs Department;
 - (v) Introducing Saturday as a normal working day for those staff members in the Council's Native townships directly concerned with the collection of rents.
- (k) That the proposal to house two families per house in Moroka on a temporary basis be approved and that the Manager of the Non-European Affairs Department report in 12 months time to enable the Committee to review this procedure.
- (l) That the Manager of the Non-European Affairs Department be authorised to submit a specific scheme to the Department of Bantu Administration and Development and the Bantu Housing Board for the accommodation of the poorest families on the basis of "one-roomed" housing.
- (m) That leases in respect of trading sites be cancelled and improvements sold when traders fall into arrears and fail to pay after due notice.
- (n) That the Manager of the Non-European Affairs Department report as soon as possible on methods of giving full publicity by radio, press and pamphlets to the procedures adopted for the collection of rent.
- (o) That the Manager of the Non-European Affairs Department in co-operation with the City Treasurer be authorised to establish as many points for the payment of rent in the city as may be considered practicable.
- (p) That the Manager of the Non-European Affairs Department and the City Treasurer take positive steps to inform tenants that their rentals and arrears may be paid in instalments.
- (q) That the Manager of the Non-European Affairs Department be authorised to have an analysis made of the sub-economic schemes in order to ascertain in which income groups rent defaulters fall, and that he report his findings.
- (r) That in view of the fact that the Non-European Affairs Department has found it impossible to serve warrants of arrest on tenants after 7.00 a.m., the Manager of the Non-European Affairs Department be authorised to instruct his officials to resort to the practice previously followed viz. of serving warrants before this hour, and that in such cases every effort be made to notify the arrested tenant's employer.

MANAGEMENT COMMITTEE. (2.4.62.)

COMMITTEE.

NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

NON-EUROPEAN AFFAIRS SUB-COMMITTEE. (21.2.62.)

NON-EUROPEAN AFFAIRS DEPARTMENT.

-
- (i) abolishing the present determination under which tenants in sub-economic schemes have to prove their income to qualify for a sub-economic rent;
 - (ii) promulgating one rental in the Location Regulations based on a charge levied for each room in a house.
- (b) That no arrear rents be written off except in cases of individual hardship and with the approval of this Committee.
- (c) That immediately a tenant fails to meet a final demand and notwithstanding any other action taken against him for arrear rent, the Manager of the Non-European Affairs Department take steps forthwith to invoke the provisions of Section 20(3) of the Natives (Urban Areas) Consolidation Act, 1945.
- (d) That the Manager of the Non-European Affairs Department and the City Treasurer be authorised to investigate and report on the sale of 'Rent Vouchers' to employers.
- (e) That the City Treasurer be requested to give immediate consideration to the introduction of a stop order or "rent voucher" system for rents in respect of the Council's own Native employees.
- (f) That the Clerk of the Council in consultation with the Manager of the Non-European Affairs Department give urgent attention to the redrafting of the Council's Native Location Regulations making provision for the removal and sale of the furniture and movables of rent defaulters.
- (g) That criminal action under Section 14 of the Location Regulations be discontinued except in cases where other administrative measures fail to be effective.
- (h) That the Manager of the Non-European Affairs Department be authorised, after obtaining Committee authority, to apply Section 58 of the Housing Act, 1957 to rent defaulters.
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MANAGEMENT COMMITTEE. (2.4.62.)

COMMITTEE.

NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

NON-EUROPEAN AFFAIRS SUB-COMMITTEE. (21.2.62.)

NON-EUROPEAN AFFAIRS DEPARTMENT.

(i) That the Manager of the Non-European Affairs Department report fully on the proposal to establish a "municipal court" or "municipal rent board" with functions and delegated authority on the lines outlined in this section of the report.

(j) That the Manager of the Non-European Affairs Department be authorised to afford employment preference to all workseekers who are registered tenants in the Council's townships or the Natives Resettlement Board's area.

(k) That where a registered tenant in arrears has refused three consecutive offers of employment consideration be given to his ejection in terms of Section 58 of the Housing Act of 1957 after obtaining Committee authority.

(l) That positions of "prisoner's friend" be created in the Non-European Affairs Department as a matter of urgency on a grade to be decided by the Manager of the Non-European Affairs Department in consultation with the Staff Board.

(m) That the City Treasurer be requested to investigate the possibility of authorising payment, at the request of the "prisoner's friend", of fines and/or arrears of Council employees who are registered tenants faced with gaol sentences for non-payment of rent.

(n) That an administrative unit of 2,000 sites be accepted as the optimum size for determining staff requirements for the Native Townships provided that such action does not result in an increase in existing rentals.

(o) That the Manager of the Non-European Affairs Department in consultation with the City Treasurer and the Staff Board where necessary be authorised to:-

- (i) provide for the appointment of Bantu Rent Collectors in Superintendents' offices;
- (ii) create a special rent prosecution and ejection staff section on the Department's establishment;
- (iii) investigate the possibility of introducing Saturday as a normal working day for those staff members in

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MANAGEMENT COMMITTEE. (2.4.62.)

NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.2.62.)

NON-EUROPEAN AFFAIRS SUB-COMMITTEE. (21.2.62.)

COMMITTEE.

NON-EUROPEAN AFFAIRS DEPARTMENT.

~~the Council's Native townships directly concerned with
the collection of rents.~~

(p) That the proposal to house two families per house in Moroka on a temporary basis be approved.

(q) That the Manager of the Non-European Affairs Department be authorised to submit a specific scheme to the Department of Bantu Administration and Development and the Bantu Housing Board for the accommodation of the poorest families on the basis of "one-roomed" housing.

(r) That leases in respect of trading sites be cancelled and improvements sold when traders fall into arrears and fail to pay after due notice.

(s) That the Manager of the Non-European Affairs Department be authorised to give the fullest possible publicity (pamphlets, radio and press) to the procedures which are adopted for the collection of rent.

(t) That the Manager of the Non-European Affairs Department in co-operation with the City Treasurer be authorised to establish as many points for the payment of rent in the city as may be considered practicable.

(u) That the Manager of the Non-European Affairs Department and the City Treasurer take positive steps to inform tenants that their rentals and arrears may be paid in instalments.

(324/5/6)
(N.E.A.D. 180/62)

THE NEXT ITEM FOLLOWS THE ANNEXURE TO THIS ITEM.

ANNEXURE "A".

CITY OF (CREST) JOHANNESBURG.

CITY TREASURER'S DEPARTMENT.

R E N T V O U C H E R.

No. A 53260

(TENABLE ONLY FOR RENT OWING TO THE NON-
EUROPEAN AFFAIRS DEPARTMENT).

CREDIT BEARER'S RENT ACCOUNT WITH THE AMOUNT OF:-

THIRTY CENTS.

30 c.

I.Q. HOLMES.
CITY TREASURER.(N.B. Purchaser is advised to write his/her name and house number
on the back of this voucher immediately after purchase).

NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

COMMITTEE

NON-EUROPEAN AFFAIRS DEPARTMENT.

TRADING SITE 10010 ORLANDO WEST 2 :
JOSEPH MODISE.

As Joseph Modise was on the 7th March 1961 in arrears with his rent for trading site 10010 Orlando West 2 to the extent of R453.70, the Committee on the 3rd August 1961 resolved to cancel his lease.

Modise appealed against the resolution and produced a written guarantee from his attorney that a European investment company would be prepared to grant him a loan which would be used to pay his rent arrears provided he was allowed to continue trading on the site.

He has been closely interrogated in regard to his financial position and the Manager is satisfied that he has a reasonable chance of making a living and meeting his rent obligation of R12 a month. In these circumstances and as he has erected three shops on the trading site at a cost of R8,000 he should be allowed to continue as lessee.

RESOLVED:

IT IS RECOMMENDED:

That, subject to the payment of all arrear rent in full, the Committee's resolution of the 3rd August 1961, referred to in this report, be rescinded.

(N.E.A.D. 163/62)

MANAGEMENT COMMITTEE. (2.4.62.)
 NON-EUROPEAN AFFAIRS COMMITTEE. (Sp. Mtg. 27.3.62.)

COMMITTEE

CITY TREASURER'S DEPARTMENT.

RENT ARREARS : SOUTH-WESTERN NATIVE TOWNSHIPS. *(Considered in conjunction with Report No. N.E.A.D. 180/62)*

The Sub-Committee re Rent Remissions on the 21st February 1962, considered a report from the Manager, Non-European Affairs Department, on the question of rent arrears in the Native Townships. Certain of the recommendations which were agreed to by the Sub-Committee, and which will be put to the Committee for consideration, require a report from the City Treasurer. Each of the recommendations in question is dealt with separately below.

1. Determination of Rentals.

"That the Manager and the City Treasurer be authorised to arrange urgent discussions with the Department of Bantu Administration and Development with a view to overcoming the problems which exist under the present system of differential rentals based on incomes by:-

- (a) abolishing the present determination under which tenants in sub-economic schemes have to prove their income to qualify for a sub-economic rent;
- (b) promulgating one rental in the Location Regulations based on a charge levied for each room in a house."

It would be illogical for the Council to ask for the abolition of the present determination. As long as the Council continues to pursue a policy of assisting tenants who fall into the sub-economic category, it must surely be necessary to establish the financial position of each tenant who considers himself entitled to assistance, and, more particularly where the assistance is derived in part from the Government, to do so on the basis of a formula which is commonly understood. What appears to be required is rather the amendment of the determination so as to make it more equitable and more practicable.

The Council has lent its support to several representations by the United Municipal Executive for a relaxation of the Government's policy with regard to the subsidising of Native housing. Only last month the Executive met the Minister of Welfare and Housing and members of the National Housing Commission to urge the adoption of several reforms which had previously been rejected. Following on the lines of these representations, any discussions between the Council and the Government authorities should, it is submitted, cover the following points:-

:- (a) ...

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- (a) The increase of the sub-economic income limit for Natives from R360 to R480 per annum;
- (b) The exclusion from income of any part of the earnings of children or lodgers or, alternatively, the increase of the limit of R480 by R48 per annum in respect of each dependent minor child in excess of two;
- (c) The right of the Council to reduce a tenant's rent to the sub-economic level where his current earnings are sub-economic, notwithstanding that the average of his previous year's earnings placed him in the economic category;
- (d) The Government's consistent attitude towards the Council's applications for additional sub-economic schemes is that economic tenants in the present sub-economic schemes of Orlando East, Orlando West and Jabavu should first be moved out to make way for sub-economic tenants. This would involve a major upheaval in the townships, and is not a realistic solution of the problem of assisting sub-economic tenants in economic schemes. Because of the presence of economic tenants in the sub-economic schemes, the Government's maximum subsidy of approximately R211,000 in 1960/61 was reduced by R97,000.

Having determined a sub-economic category of tenant, the Government should be prepared to apply an interest rate of $\frac{1}{4}\%$ to the loan in respect of any house occupied by a sub-economic tenant, whether the house is in a sub-economic or an economic scheme. At the very least, the Government's rate of subsidy should be maintained at the maximum in respect of the present sub-economic loans, to allow the Council to extend a measure of relief to the poorer people in economic schemes;

- (e) The period of redemption of economic loans should be extended from thirty to forty years and the consequent reduction in loan charges should be used by the Council to offset rising costs and thus to avoid rent increases, and/or to supplement in appropriate cases any Government subsidy available to sub-economic tenants in economic schemes.

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The Manager's report states that the so-called sliding scale of rents in sub-economic schemes leads to endless complication and difficulty. Serious difficulties were certainly encountered when the system was first introduced but it is the belief of this Department that the difficulties have largely been overcome and that the system has operated reasonably smoothly in the last two years. The alleged complexity of rents does not seem to be a matter of concern for the individual tenant who is only required to know the rent payable by him for the house he occupies in accordance with his return of income.

It should be borne in mind that the sliding scale arrangement was a concession made by the Government on the plea of local authorities that hardship would be caused to tenants who were required to pay the full economic rents immediately their incomes exceeded the prescribed limit. However, the decision as to whether the sliding scale should be discontinued is one which lies entirely within the competence of the Council. Discontinuation would benefit the Council financially and administrative procedures, particularly on the accounting side, would be simplified.

The second part of the Manager's recommendation, namely that "one rental be promulgated in the Location Regulations based on a charge levied for each room in a house", appears to ignore the fact that several items of cost provided for in composite house rentals, such as refuse removal, sewerage, administration and maintenance of roads, attach to the site and not to the house. This point may be exemplified by reference to the site and service schemes where a site rent of R2.50 per month is payable. It would be somewhat curious if, in respect of an economic tenant, that rent were to be substantially reduced when one room is built on the site and varied only slightly when two rooms are built.

It must be presumed that the proposal to have a flat rate per room carries with it the intention to continue, and even to extend, the present policy of remissions based on income. If this were not so, the main effect of the flat rate would be to benefit those best able to pay at the expense of those least able to pay.

In Orlando and Jabavu, the several thousands of sub-economic tenants who pay rents as low as R1.73, R2 and R2.25 would have to pay more while tenants with incomes upwards of R48 per month would pay substantially less. Having regard to the history of previous attempts to increase rents, this cannot seriously be intended.

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A fallacy can thus be seen in the basis of computing the flat rate, in that the total monthly debit of R230,000 referred to in the Manager's report is arrived at after remissions and subsidies have been taken into account. If the flat rate is to be economic and remissions are to be made from that level, then the debit of R230,000 should be increased by approximately R33,000, being the difference between the economic rents in the sub-economic schemes and the rents actually paid. The flat rate per room would then increase to R1.54.

Apart from the serious effects in the sub-economic schemes already referred to, the present rents of R4.75 and R5.50 for four-roomed semis and detached houses respectively in the site and service areas would increase to an average of R6.16.

The fact is, of course, that no rents can be reduced without a compensating increase of others, unless the Council or the Government, or both, are prepared to meet the difference through higher subsidies.

Referring again to the alleged complexity of rents, there are broadly two main groups of houses in the South-Western Areas. The first group consists of the sub-economic schemes together with Orlando West Extension and Mofolo Central, and the second group the 33,000 houses constructed in the new areas on a site and service basis.

The houses in the first group are of several different types. There are very old houses, new houses, semis and detached houses, small rooms and larger rooms, superior houses and admittedly inferior houses and sites of varying sizes. The rents of these houses were the subject of review in 1957 after careful and extensive investigation; the present rents were in fact the result of an averaging out and were determined, not on the basis of original capital cost, but on the basis of size and standard of accommodation.

The rental structure in the second group could hardly be simpler. Only two rents apply to the two types that have been constructed, namely the semi-detached 5l/7 and the detached 5l/6 each comprising four rooms.

The economic rents in the first group are generally higher than the rents in the second group. For instance, the economic rent of a four-roomed Type A (Sayle) house in Orlando West is R6.75 as against R5.50 for a 5l/6 type house in the second group. The reasons for this disparity are mainly as follows:-

:- (a) ...

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- (a) Rents in the first group include water consumption whereas an additional charge of 30 cents per month is made in the second group where water is supplied directly to the site;
- (b) Costs of construction were for the most part considerably higher in the first group; and
- (c) Most important, the first group did not enjoy the benefit of grants from the Native Services Levy Fund for latrine construction and rudimentary site development.

It must once again be emphasised that any attempt to average out rents between these two groups, whether on a room or other basis, can only be successful if rents in the second group are increased, or if the economic rents in the first group, in addition to the sub-economic rents, are heavily subsidised.

IT IS RECOMMENDED:

- (a) That discussions be held with the Department of Housing and Bantu Administration and Development in terms of this report.
- (b) That the Committee decide whether to discontinue the sliding scale arrangement of rents in the sub-economic schemes.
- (c) That the existing structure of rents be not disturbed.

2. Rent Vouchers.

"That the Manager and the City Treasurer be authorised to investigate the voluntary buying of Council's 'rent vouchers' for re-sale to their employees."

As far as the mechanics of introducing and running a system of rent vouchers are concerned, no special difficulties are foreseen. The proposal is not supported, however, for the following reasons:-

:- (a) ...

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- (a) The facility is already available to employers of paying their employees' rents at the Head Office. All that is asked of an employer is that his cheque, which may cover any number of separate rent payments, should be accompanied by a list of the names and stand numbers of the accounts to be credited. He is issued with a receipt for the amount of his cheque and separate slips giving full details of the amount paid for each employee. Under this arrangement the employer has the reasonable assurance, which he would not have with rent vouchers, that the accounts are credited promptly and correctly. Perhaps publicity should be given to the existence of this facility.
- (b) The further proposal has been made that rent vouchers should be available for sale to tenants at convenient points in the city. In this connection it is pointed out that this Department has already agreed in principle to accept rent payments from township tenants at the head office and the Wemmer, Denver, Wolhuter and George Goch hostels. Each of these points is convenient for large numbers of commercial and industrial workers. If a tenant can pay his rent in town and obtain an official receipt at the same time, rent vouchers hardly seem to be necessary.
- (c) The printing of vouchers, control of sales, refunds, additional audit and administrative duties, and constant searches for missing vouchers, are likely to make the scheme costly to operate.
- (d) The danger of forgeries is inherent in a system of this kind.
- (e) Particularly in cases where employers donate vouchers to employees, trafficking in vouchers is probable. Vouchers are likely to be lost and endless disputes with employers and tenants may arise because accounts for which vouchers were intended are not eventually credited. Whatever advantage there may be in the scheme for employers - and no special advantage is apparent - may be more than offset by a deterioration of public relations.

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COMMITTEE.

CITY TREASURER'S DEPARTMENT.

IT IS RECOMMENDED:

That rent vouchers be not introduced.

3. Bantu Rent Collectors.

"That the Manager, in consultation with the City Treasurer and the Staff Board where necessary, be authorised to provide for the appointment of Bantu Rent Collectors in Superintendents' offices."

It is realised that this proposal, like the previous one concerning rent vouchers, has the laudable intention of facilitating rent payments and thus reducing the volume of arrears. The prospects of success of any such proposals must, however, be measured against their cost and the administrative disadvantages it is possible to foresee. The following points should be considered:-

- (a) No indication is given in the Manager's report of the number of staff required. It can be said, however, that door to door canvassing is a slow and tedious occupation; the same house may have to be visited several times. If collectors are to be effective, and to do more than simply touch the fringe of tenants in arrear, then it seems that a large number should be appointed at very considerable cost.
- (b) Extensive rent paying facilities are already available and it is proposed to provide additional facilities in the city area. If, however, lack of convenience in the townships is considered to be a contributory cause of rent arrears, this aspect should be dealt with in conjunction with any re-organisation of the superintendencies.
- (c) Judging from the reaction of certain tenants to demand notices and even summonses, the habit may develop of waiting for the collector to call, with the result that arrears may increase rather than diminish.
- (d) To allow officials who are not constantly subject to careful supervision to accept cash and issue receipts invariably leads to malpractices.

:- (e) ...

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- (e) An elaborate system of security precautions has been found necessary to protect cash in transit and the officials responsible for it. Suitable security for individual collectors could only be provided at considerable cost. It is also necessary to mention that it would be most unwise for collectors to operate at night when, of course, the majority of wage earners are to be found at home.

IT IS RECOMMENDED:

That Bantu Rent Collections be not appointed.

4. The Council's Employees.

"That the City Treasurer be requested to give immediate consideration to the introduction of a stop order or 'rent voucher' system for rents in respect of the Council's own Native employees."

"That the City Treasurer be requested to investigate the possibility of authorising payments, at the request of the 'prisoner's friend', of fines and/or arrears of Council employees who are registered tenants faced with gaol sentences for non-payment of rent."

These two recommendations can conveniently be considered together.

The Council cannot pay an amount owing to itself. Whatever expedient may be adopted to avoid the imprisonment of an employee, the debt will still be owing by him. It is considered, however, that the difficulty can be overcome in the following manner:-

- (a) Before summons is issued against an employee of the Council, details of the arrear rent should be sent to the Staff Board Native Labour Branch. The employee should be interviewed there and given the option of signing a form of authority, to the satisfaction of the Clerk of the Council, for the deduction of the amount of the arrears from his wages over a stipulated period. The matter has been discussed with the Deputy Clerk of the Council who agrees that such a voluntary arrangement would not conflict with the condition in Wage Determination 186, to which the majority of Native employees are subject, that no deductions other than those mentioned

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in the determination should be made. Should an employee refuse to sign the authority, he can be regarded as having forfeited any claim to sympathetic consideration.

- (b) At the same time a notice should be served on the Native Labour Branch in terms of Section 20(3) of Act No. 25 of 1945 to deduct current rents from the wages of the employee concerned. This action would accord with the Sub-Committee's recommendation to invoke Section 20(3) in respect of rent defaulters generally.

IT IS RECOMMENDED ACCORDINGLY.

5. Analysis of Rent Defaulters.

This matter was not dealt with in the Manager's report.

It is felt that consideration of the rent arrears problem is hampered by lack of information about the income categories into which rent defaulters fall.

The tenants of Orlando East, Orlando West and Jabavu are required to prove their incomes annually in order to qualify for sub-economic rents. This information should be analysed to show how much of the amount owing in each of the townships is attributable to the various income groups.

IT IS RECOMMENDED ACCORDINGLY.

(324/5/6)
 (C.T. 1/62)

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