

A COMMUNITY HOUSING CORPORATION.*(Bantu Welfare Trust)*

At the request of the Trustees of the Bantu Welfare Trust, the following information relating to the financial aspects of the proposed Public Utility Housing Scheme, is submitted. Attached are also certain comments as to the possible wider implications of this scheme.

1. Financial Aspects of the Scheme: The finances of the proposed company are regulated by the Housing Act, 1920, and the regulations promulgated thereunder. In terms of the Act it is possible for a Public Utility Housing Company, sponsored by a local authority, to obtain the major portion of its capital requirements from the Government. An application, therefore, will be made by the proposed Company to the National Housing and Planning Commission, for a loan of 90% of its capital requirements; the loan will be at an interest rate of $\frac{3}{4}\%$ p.a. and will be re-payable over a maximum period of 40 years. It will be necessary for the balance of the capital to be subscribed by private persons or organisations; and hence the approach which has been made to the Bantu Welfare Trust.

From discussions which have been held with the Manager of the Non-Europeans Affairs Department of the Johannesburg Municipality, it appears that the Municipality will be prepared to grant the Company a portion of land for its use. The Housing Commission has indicated that the value of the land can be taken into account as part of the balance of the 10% of the capital funds which are required. The sponsors of the Company will thus find it necessary to raise the remaining portion of the capital cost of the scheme - probably $7\frac{1}{2}\%$ to 8%. It is intended that this portion of the capital should be raised by a private loan repayable over a period of between 15 to 20 years at a reduced rate of interest - possibly 3%.

As indicated in an earlier memorandum, it is intended that every economy should be practised by the Company in the erection of its houses and buildings. Both in order to achieve this economy and to provide opportunities for skilled African artisans it is considered essential that African labour should be used. It will be necessary therefore to ascertain the availability of skilled Native labour, and whether it will be possible to engage the services of independent European contractors and foremen. Discussions to this end are to be held with the Witwatersrand Master Builders Association.

It will be appreciated from the foregoing that the building scheme which the company has in mind is one which must be in the nature of an experiment, since the use of skilled Native labour in the large scale erection of houses has not yet been applied elsewhere. The experiment is one which will no doubt

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give rise to innumerable difficulties both from the point of view of opposition from the European Trade Union movement and the difficulties presented by the existing building material supply position. The experiment, however, if proved successful, will be of considerable benefit to the African population, since it will demonstrate that houses can be built for Natives at a comparative small cost; its success may make it the forerunner of a planned national housing policy for Africans. By reason of the fact that it is intended to utilise skilled Native labour, it is impossible at this stage to estimate with any degree of accuracy the likely capital expenditure upon the houses and street works. It is clear however, that if the scheme is to prove workable the capital cost of the houses must be confined to a sum of between £250 and £300 each, whilst expenditure on street services must not exceed £150 to £200 per house. The architects have available a number of specially drawn plans in order to reduce costs, and it is hoped thereby that the figures mentioned above may be reduced even further. Depending upon the availability of Native labour and of material, approximate figures as to costs of building will be extracted. The rents charged will be fixed in consultation with the Housing Commission, on the basis of the capital costs and the annual payments to cover interest and redemption charges on loans, maintenance and administration expenses, and reserves.

Upon the basis of costs mentioned in the foregoing paragraph it would appear that a total sum of between £200,000 and £250,000 will be required by the Company to provide 500 houses. Of this amount, a loan of between £20,000 and £25,000 will be required to be raised by the sponsors of the scheme.

11. Implications of the Scheme: Apart from the urgent necessity to provide housing accommodation for Africans employed in Commerce and Industry in the Witwatersrand area, the purpose of the scheme will be to meet an urgent social need by the establishment of a self-contained community unit. A contented working community living in an atmosphere which enables the free development of individual initiative and personality, will be of inestimable value to the future progress of the Union. Economically at any rate, there is adequate proof from other lands that Industrial progress must be accompanied by the growth of a stable and contented labour force, gaining in skill and achievement. In so far as the African is concerned, it is probable that the social group of which he will be made to feel a member will replace to some degree the tribal community with which increased numbers of Africans are losing contact; to many, the scheme will be a means of the rehabilitation of their social life. To this end, the final scheme envisages a well balanced community comprising married couples with children living in single housing units, young married couples and old married couples living in flatted apartments, and single persons living in hostels. The children in the area will attend community schools, whilst the residents will take recreation at the community centre, and on the communal play fields; they may desire to attend the community churches, and when ill, will be attended at the community clinic. Opportunity will also present itself/

itself for individual residents to take part in the administration of the community by serving on voluntary committees, such as tree planting committee, social service committee, etc.

As part of the community scheme, it is intended that a co-operative retail store should be established to serve the essential needs of the community. This enterprise will be guided by the businessmen serving upon the Board of the company, but it will be conducted by trained Africans.

In the course of time it may be possible to establish small industries in the area to provide opportunities for skilled native workmen. An example of this, is the furniture industry, to provide cheap furniture for the residents in the Native area. The scheme thus, apart from the experiment in building which it represents, may prove to be a very important social experiment. It is important too, from the point of view of the European, in that it may well demonstrate that private initiative and independent enterprise can yet take responsibility for providing large scale community services. In an age when the community is increasingly coming to regard State or Municipal action as the only means of initiating and furthering social progress, this scheme may prove a valuable example of the achievement of private initiative. Too often, the rigidity of State action has led to the creation of mere dormitories, but it is intended that the houses to be erected will be living entities, and the community a living organism.

The foregoing may well appear to be too Utopian an ideal, but similar ideals have motivated the activities of the Citizen's Housing League Utility Company in the Cape Peninsula, and the Municipal Housing Scheme at Port Elizabeth. In 1930-31, soon after the formation of the Citizen's Housing League, its assets stood at £10,471 and its annual revenue £383. In 1947 the assets had increased to £1,194,615 and the annual revenue to £61,277, with a total of 2,123 lettings. In the words of the Chairman of the Company in a recent Annual Report "the devolution of the important public responsibility of housing Europeans with a low income to a Public Utility Corporation was a sociological experiment which can now be claimed to have been justified by the event".

The application of these principles to the housing and rehabilitation of Africans in the Witwatersrand area will no doubt present numerous difficulties, but provided the enthusiasm, experience and interest of responsible persons, is enlisted, there is every reason to believe that the scheme will prove successful. In any event the project appears to be one holding the seeds of social progress for the African; and by this token it is submitted that every avenue should be explored to see whether the scheme may prove a practicable proposition.

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