

1945

The Transvaal Land Owners' Association.

**Annual General Meeting.**

*The Forty-second Annual General Meeting of Members of the Transvaal Land Owners' Association was held in the Board Room, Lewis & Marks Building, President Street, Johannesburg, on Monday, 26th November, 1945, at 3 o'clock p.m.*

Mr. E. A. Roberts (representing Daggafontein Mines, Ltd., Rand Selection Corporation, Ltd., South African Land & Exploration Co. Ltd., and Western Reefs Exploration & Development Co. Ltd.) presided, and there were present Messrs. E. Burnham (Harmony Lands & Minerals, Ltd.), E. L. Craighead (Transvaal Gold Mining Estates, Ltd. and Rand Mines, Ltd.), R. Honey, K.C. (African Board of Executors & Trust Co. Ltd.), B. Moses (Transvaal & Delagoa Bay Investment Co. Ltd.), S. Perkins (New Consolidated Gold Fields, Ltd. and West Witwatersrand Areas, Ltd.), J. Pople (African Gold and Base Metals Holdings, Ltd. and South African Townships, Mining & Finance Corporation, Ltd.), A. J. Reynolds (General Mining & Finance Corporation, Ltd.), H. J. Summerley (Transvaal Consolidated Land & Exploration Co. Ltd.), R. W. Townsend (African & European Investment Co. Ltd. and Lydenburg Estates, Ltd.) and A. D. Parsons, Secretary.

Apologies for absence were received from Messrs. J. Davidson and R. L. Ward.

The Chairman declared the meeting duly constituted, and the notice convening the meeting was taken as read.

The Secretary read the Auditors' report and on the motion of the Chairman, the annual report of the Executive Committee, which had previously been circulated, was taken as read.

The Chairman said :

Gentlemen,

The Committee's Report and the audited statement of Accounts, which have been in your possession for some time, are now submitted for your approval and adoption. It is regretted that paper restrictions have again prevented reference to many subjects of interest to members. The report has, therefore, been greatly abridged, but members who wish to do so may obtain fuller statistical and other data at the Association's offices.

Before proceeding with the business of the meeting, I have to record with regret the death of two long-standing and valued members of your Association, namely Mr. A. Berkeley of London and Mr. A. J. Shimwell of Johannesburg. Your Committee have conveyed their deep sympathy and condolence to the families.

**MEMBERSHIP AND ACCOUNTS.**

There was a small increase in the total membership which stood at 88 as compared with 87 for the previous year.

The accounts show an excess of income over expenditure of £289/17/1, as compared with an excess of £409/9/10 in the previous year.

**TOWNSHIP OWNERS' SUB-COMMITTEE.**

This committee now consists of 9 Township Owner members who control 113 townships, comprising 66,000 erven.

**HIGH COST OF URBAN LAND.**

Of late there have been many references to the high cost of stands in townships for building purposes. It has even been suggested that township owners have charged unreasonably high prices and have received fantastic profits. This may have happened in some cases particularly where the township owner acquired the land many years ago, but at present, though it is agreed that prices are high, it is submitted that factors now exist which demand profits on a high scale and indeed in most cases prohibit the development of new townships.

Your Township Owners' Sub-Committee, at the request, of the National Housing and Planning Commission, submitted a statement setting out the Association's views on the high cost of urban land in the Transvaal. Copies of the memorandum were later submitted to various Ministers, the Provincial Secretary, the Townships Board and the Surveyor-General, Transvaal.

Those members who are particularly interested may see a copy of the memorandum at the Association's offices.

The memorandum attempted to explain the present difficulties laboured under by persons desirous of forming townships, and made suggestions regarding the improvements which should be made to facilitate and speed up township formation.

The business of laying out a township has become more complicated and more difficult, and has tended to take longer as time goes by. Indeed, so complicated has it become that it is now a specialist job requiring expert knowledge in estimating where there is likely to be a demand for erven, the type of township required, the extent of the demand and the probable price obtainable. In addition the undertaker must have a knowledge of the law, considerable capital and infinite patience as he must expect a long delay before he receives his profits if he is to succeed in overcoming all the obstacles and day to day difficulties that arise or are placed in his

way. It is, therefore, obvious that the profits must be sufficiently attractive to cause a qualified undertaker to consider the business of laying out a township.

In few cases has he the ownership of land which is definitely ripe for township development. His first step is, therefore, to negotiate for that land for which today he has to pay prices far in excess of its agricultural value.

He must then estimate, before he purchases the ground, how much of it will be saleable, that is, he must consider the area which will be lost from a selling point of view for roads, school sites, parks, Government erven and other non-saleable occupations, which may easily amount to 40% of the total area. Only then can he estimate the minimum selling price at which he can offer erven which will enable him to decide whether or not to proceed with the township. In making this decision he is guided by selling prices of existing township erven in the vicinity. This comparison is not an easy matter bearing in mind the fact that existing values of other erven may bear no relationship whatsoever to the selling value of erven in the proposed township when it is finally proclaimed. Conditions may have changed considerably, and the would-be township owner has to bear a greater risk, for which naturally he expects compensation. If the business is not attractive his efforts and capital are directed elsewhere, with the result that the scarcity of building land remains, and the fortunate owners of township stands still enjoy a partial monopoly due to the fact that there is not sufficient competition in the supply of new erven.

From the time the township owner starts on his long and arduous task of forming a township it may be anything from two to five years before he is in a position to effect sales, and reap the benefit of his work. In that time so much can happen that he might be faced with a township which is out of date in its planning or has missed the market for other reasons.

As during the formation period considerable sums of money have to be laid out primarily for purchase of the land and survey and legal expenses, and possibly assessment rates, the interest factor cannot be overlooked.

A most important item in the economics of township development is the rate of cash endowment which has to be paid to the local authority. This is in the form of a percentage of the selling price and may be as high as 22½%. Until the township is on the point of being promulgated, *i.e.*, probably years after the start, the rate of endowment is unknown, nor can the township owner estimate what the requirements will be in regard to the provision of roads and, more important and costly, the water and light services. These are additional factors which deter one from creating townships.

After formation of the township the undertaker has to pay assessment rates and sometimes sewer charges on unsold stands.

It is obvious, therefore, that the business of forming townships today is not likely to attract the necessary capital or effort unless a large profit is indicated.

The long delays which have been mentioned are due to the fact that so many bodies are concerned, namely the Townships Board, the Surveyor-General's Office, the Local Authority, the Townships Planning Authorities and, to a lesser extent, the Education Department,

the Roads Board, the S.A. Railways and Harbours and possibly even the Peri-Urban Areas Board, all of which have a considerable say in the matter, and may at any time raise new points. This happens particularly where there is a change of personnel in any of the bodies concerned. The most important body, the Townships Board, consists mainly of extremely busy senior officials in various Government and Provincial Departments who act on the Board on a part-time basis. It is obvious that these gentlemen, who are already over-worked in their own jobs, cannot be expected to function very expeditiously on such a basis even in peace time. It is understood that the Board realises the position fully and is doing its utmost to make improvements.

It is suggested that the existing machinery for township formation is sadly in need of a complete overhaul. The requirements of the various bodies concerned directly and indirectly are so numerous, indefinite and overlapping, and take up so much time that a lot of unnecessary work is created for the Townships Board and all concerned, with the consequence of added delay, and an increase in price to the eventual buyer of a stand.

We do not feel that any of the difficulties of which we complain are insuperable. Some delays which exist for the protection of the man-in-the-street are perhaps inevitable, but it is suggested that by the closer co-ordination of the functions of all Public authorities and persons who are interested in Township development a great deal of the present unnecessary waste of time could be avoided. Further, the provision of a standardized table of what each authority may demand from a township developer would limit the risk factor and expedite matters.

War-time conditions have played only a minor part in causing the long delays complained of. The time has come for the establishment of one permanent body of competent officials, acting on a full-time basis, to control the establishment of townships. It should be representative of the various authorities and persons concerned and include one member to watch the interests of land-users. Such a body should have full powers to assess and protect the various rights and interests concerned and standardize procedure as far as possible.

Within the last few years another factor has been introduced which, it is considered, has had much to do with the shortage of building erven and the high prices. I refer to the Fixed Property Profits tax. Intended to combat inflation, it has been one of the chief factors in causing inflation in the price of building land. Many of our members who are experienced in the business of laying out townships have been offered land which was fully ripe for development. Having considered the factors with which I have already dealt, in some cases the proposition looked attractive, but the tax of 13s. 4d. in the £ on profits prevented the business from being carried further. If progress had then been possible there would have been many more available stands instead of which a scarcity value has been created for existing open stands.

This tax has forced up the price of land and given to certain owners of stands fortuitous profits which in total probably exceed the amount gained by the Government in taxation.

In our opinion the amount of revenue accruing to the Government by reason of this tax does not justify its retention and I would appeal to the Minister of Finance to repeal it as soon as possible.

The Peri-Urban Areas Board is now functioning and has constituted local boards in certain areas. With the principles on which the Board was constituted we must all agree but express the hope that this body will not become another brake on development of townships.

Put briefly, it is suggested that a reduction in the restrictions and difficulties in forming townships will increase competition and provide more building plots at lower prices.

It has been recommended by the Social & Economic Planning Council, in its Report No. 5 on Regional and Town Planning, that all private enterprise in the laying out of townships should be eliminated. We are of the opinion that private enterprise can cater for the public more speedily and efficiently than can the public service, and particularly so if the present needless obstructions are removed.

#### ALTERATIONS OF TOWNSHIP CONDITIONS.

Several cases of interest to Township Owners, and the public generally have recently been before the Courts.

Broadly speaking, the point at issue was the right of the owner of an erf in a township to enforce the conditions of township title against other parties who wished to erect flats or business properties in areas restricted in title to residential use. Under various town planning schemes certain of such areas have been zoned as being available for flats and other non-residential purposes, and the schemes have had the approval of the Administrator, in terms of the Townships Amendment Ordinance (1941) of which the relevant provisions have since been declared *ultra vires*. In the cases referred to the Courts have upheld the Township Conditions with the result that the building of flats and the establishment of other business in residential areas is prohibited.

This is a matter of considerable complexity, as the vested rights of standholders entrenched in the conditions of townships, in many cases laid down forty or fifty years ago, have to be weighed against the requirements of urban development in the light of present day needs.

#### INSTALMENT SALES OF LAND BILL.

Among the legislative measures of interest to members introduced in Parliament last session was the Instalment Sales of Land Bill—(to quote the title) "To make provision for the regulation of certain agreements for the acquisition of land."

Briefly, this measure is intended to apply in respect of land sold on the instalment system, in such areas as may be specified by proclamation, the purchase price of which does not exceed £300 in the case of land with no improvements and £1,000 where the land is improved.

Your Committee made detailed representations to the Minister pointing out that the Bill bristled with complexities and, if passed into law in its present form, owners would be deterred from selling on the instalment system land to which the Bill applied and that this effect would re-act unfairly on those who are not in a position to acquire land for cash.

The Minister thanked the Association for its comments and suggestions and stated that its views would receive full consideration.

The Bill, which was not proceeded with in the 1945 session, will probably be re-introduced next session.

With your indulgence I would now like to refer briefly to one or two matters of agricultural interest.

#### WOOL.

You will have observed from the Committee's report that the Union's wool clip for the 1944-45 season was smaller than the previous year's by about 57,000 bales. This shortfall means £1,170,000 less in the wool cheque to the producer, the one compensating factor being that with a steady market devoid of the usual price fluctuations that were a pre-war feature of wool, he still enjoys a basis at least 40% above the pre-war level. Another observation is that the South African grower is classifying his clip as never before, and today the old-time bogey of falsely packed bales is a thing of the past.

With the end of the war and a gradual relaxation of control regulations, it is thought that a higher proportion of the surplus stocks held in this country should soon be released for overseas trade. The accumulation now held by the British Wool Commission South Africa in its warehouses at the coast totals over 1½ million bales, a very big percentage of this being wools suitable for Continental requirements.

The wool conference between representatives of the United Kingdom, Australia, New Zealand and South Africa, which met in London during April and May, recommended the establishment of a joint organization to control the marketing of wool in the next ten or twelve years. The scheme, which will create reasonable price stability on a long-term basis, has been accepted by South African wool interests and legislation is to be introduced by the Government at the next session of Parliament to implement the proposals.

#### BUTTER AND CHEESE.

In the present-day scarcity of these commodities, it may be of interest to note that the production by the Union's creameries and cheese factories during the year ended 30th June, 1945, totalled 37,814,000 lbs. of butter and 16,974,000 lbs. (green weight) cheese, representing a decrease of nearly 15% in the quantity of butter and of 3% in cheese, as compared with the previous year. Approximately one-quarter of the butter is produced in Transvaal creameries.

#### SOIL EROSION.

The report before you refers to the efforts being made by the National Veld Trust to deal with the vital questions of soil erosion and veld conservation.

In a very interesting report on his investigations into soil erosion conditions in the Union, Dr. H. H. Bennett, of the United States Department of Agriculture, states that South Africa is drying up on a large scale and that far too little attention has been devoted by the average farmer to soil protection against erosion and the maintenance of soil productivity through good cropping and grazing practices. The report enumerates some of the practices and means now available for getting under way a worth-while national soil conservation programme and suggests that a technical personnel of about 1,000 men should be recruited and trained in the field as soon as possible to assist in carrying out the programme.

#### STOCK DISEASES.

Information is still awaited regarding the action the Government intends to take following the recommenda-

tions of the East Coast Fever Commission, reference to which was made in your Committee's last report.

Gal lamsiekte is reported to have been more prevalent than usual in some areas owing to lack of supplies of bone-meal. Tick-borne diseases were in evidence. There are far too few dipping tanks and reports suggest that tick-borne diseases will always be present until density of settlement forces farmers themselves to combine and ask for the introduction of compulsory dipping.

A new disease, "kopvelsiekte," made its appearance on several farms in the Rustenburg-Waterberg area. Apparently the disease does not spread very easily and the mortality is very small. The Veterinary Division is making close investigation into the outbreak.

#### CROWN LAND SETTLEMENT.

For the year ended 31st March, 1944, this being the latest date for which figures are available, we are informed by the Lands Department that 161 holdings, totalling 59,597 acres, were allotted to 163 settlers in the Transvaal Province. All the holdings with one exception were in respect of leases with option of purchase or land purchased under Section XI of the 1912 Act. The total allotment price was £158,932, an average price of £2/13/4 per acre. For the previous year 46 holdings, totalling 68,696 acres, were allotted to 47 settlers.

With the end of the war in Europe and the return of the Union's soldiers from overseas, it may be anticipated that the coming year will see the settlement of very considerable areas of Crown land under the Government's various land settlement schemes.

#### 1820 MEMORIAL SETTLERS' ASSOCIATION.

We are informed that the activities of the Settlers' Association have shown a marked expansion during the year and are likely still further to increase with the coming of peace conditions. The hundreds of enquiries received from all parts of the world, especially from Imperial servicemen, many of whom have passed through or are stationed in this country, denote a keen desire for information on every point of interest to intending settlers. All enquiries received the most careful attention and the utmost assistance. The Settlers' Association expresses the view that while the present and future pressure on shipping renders any substantial movement of migrants impracticable for some time to come there is no doubt that immigration to South Africa is bound to take place sooner or later, whether it is "officially" encouraged or not.

During the year the 1820 Settlers' Association introduced 44 selected settlers from England into South Africa, which is all to the good.

In conclusion I have pleasure in recording the Committee's appreciation of the good services rendered by our various agents and by our secretary, Mr. A. D. Parsons, and his staff during the year and in welcoming back Mr. J. H. Palmer from military service.

I now beg to move the adoption of the Report and Accounts for the year ended 30th June last, and will ask Mr. Summerley to second the motion.

In seconding the motion for the adoption of the Report and Accounts, Mr. H. J. Summerley congratulated the Chairman on his very interesting address and said he hoped that the Chairman's remarks, especially with regard to the development of townships and the Fixed Property Profits Tax, would be brought to the notice of the Administrator of the Transvaal, the Minister of Finance and other authorities.

The motion for the adoption of the Report and Accounts was carried unanimously.

There being no other nominations, under Article 25 of the Constitution the Chairman declared the following members of the Executive Committee re-elected: Messrs. E. L. Craighead, J. Davidson, A. G. Douglas, R. L. Hopkins, B. Moses, C. Newby, S. Perkins, J. Pople, E. A. Roberts, H. J. Summerley, R. W. Townsend, R. L. ... and A. Whittaker.

On the proposal of Mr. S. Perkins, seconded by Mr. R. Honey, Mr. E. A. Roberts was unanimously re-elected President of the Association for the ensuing year. Mr. Roberts thanked the meeting for his reelection.

Mr. E. L. Craighead proposed, and Mr. A. J. Reynolds seconded, that Mr. R. W. Townsend be elected and Mr. A. G. Douglas re-elected Vice-Presidents of the Association for the ensuing year. The motion was carried unanimously.

On the motion of Mr. B. Moses, seconded by Mr. E. Burnham, Messrs. Roberts, Allsworth, Cooper Brothers & Co. were re-appointed as Auditors for the ensuing year, their remuneration for the past year's audit to be forty guineas.

Mr. R. W. Townsend proposed a hearty vote of thanks to the Chairman. He was glad Mr. Roberts had been elected for a further term and would have great pleasure in serving under him as one of the Vice-Presidents. He fully endorsed Mr. Summerley's suggestion that the Chairman's remarks be brought to the notice of the Administrator and the Minister of Finance.

The motion was carried unanimously and the meeting then terminated.

**Collection Number: AD1715**

**SOUTH AFRICAN INSTITUTE OF RACE RELATIONS (SAIRR), 1892-1974**

**PUBLISHER:**

*Collection Funder:- Atlantic Philanthropies Foundation*

*Publisher:- Historical Papers Research Archive*

*Location:- Johannesburg*

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