

In this House a tirade was unleashed on me by Mr. van Vuuren in connection with the queries I had raised in this House regarding the negotiations in connection with the purchase of properties for the College of Education.

He suggested that when putting my case I had used an unrealistic criteria of Municipal Valuations as foundations for my arguments.

Should we not for a moment reflect on Municipal Valuations? It is wellknown that the main source of revenue of Local Authorities is the rates levied on properties within their area. The Rating Ordinance No:..... of supplies the basis on which properties are to be valued, and the duties of the person appointed as the Valuer. One of the purposes of such valuations is to establish a fair level of valuation so that persons owning properties in various parts of the town are rated on an equitable basis, the basis being the relative values of their properties. In Johannesburg a new Valuation Roll is brought out every three years, and as I understand the procedure the City Valuer, when drawing up his Roll, first decides what the value is of what he considers the most valuable site in the City. From then on everything is valued relative to that site. The preparation of a Roll in a city such as Johannesburg where some..... properties have to be valued, makes it obvious that the City Valuer must start preparing his Roll a long time before the date at which the Roll is finally determined. Municipal Valuations can therefore never be regarded as the last word as between a buyer and seller.

It appears to me to be necessary for me to refresh the memory of Mr. van Vuuren regarding what I said about valuations.

I gave figures of the extent to which Municipal Valuations had been exceeded in sales which took place in the 1962 and 1963 years in respect of the suburbs of Forest Town, Saxonwold and Upper Houghton. I then dealt with the sale of properties in Parktown, and I pointed out that in the portion of Parktown, between Jan Smuts Avenue and Victoria Avenue, the prices paid in 1962 were 30.6% above Municipal Valuations, whereas this had increased to 45% in 1963. I then gave figures of the properties expropriated by the City Council of Johannesburg, stating that properties with a Municipal Valuation of R186,000: had been purchased for R254,000: which was 37% above Municipal Valuation. I then, Mr. Chairman, went on to compare these prices with the prices paid by the Province. I compared the private purchases of 45.3% above Municipal Valuation with those of the Council purchases at 37% above Municipal Valuation with those of the Province which averaged 143% above Municipal Valuations: that was my basis of comparison - varying from 31% above to 261% above.

I also, Mr. Chairman, went on to compare the prices we paid on one side of Winifred Road with those paid on the other side of Winifred Road by the Administration, and showed that while we had paid 15% above Municipal Valuation, the Administration paid 78%, 122%, 96%, 135% and 138% above Municipal Valuations.

In his attack on me yesterday Mr. van Vuuren suggested that I had tried to create a sinister screen around the activities of Mr. Lieberman. If Mr. van Vuuren will refer to my speech he will see that I stated that I was not complaining about Mr. Lieberman's actions: I stated that he had acted in a perfectly bona fide way, but I did

state that as a result of Mr. Lieberman's activities owners were induced to claim greater compensation than they would otherwise have done, and, Mr. Chairman, I gave a specific instance of a person who was prepared to negotiate at a price and where, due to Mr. Lieberman's intervention, a higher price was asked and received.

When I mentioned the name of Mr. Lieberman Mr. van Vuuren asked "Who was Mr. Lieberman" and I must accept his word for it that he did not know who Mr. Lieberman was, or else he would not have asked the question. Now in reply to a question which was answered yesterday we were told that Wilfred Isaacs (Pty) Ltd., of which Mr. Lieberman was a member conducted the negotiations on behalf of 13 owners and I am satisfied that it was due to the influence of Mr. Lieberman that the owners were encouraged to ask for the high prices. As an Agent Mr. Lieberman was naturally trying to do the best for his clients, and I am surprised that Mr. van Vuuren was not advised by his Department that the high prices being asked were in some way due to the influence of Mr. Lieberman. So Mr. van Vuuren cannot have it both ways. I accept that he did not know Mr. Lieberman, but I cannot accept that he should not have known of Mr. Lieberman seeing that he was such an important factor in the prices being asked.

In his reply Mr. van Vuuren has not attempted to give to this House a reason why the prices paid by the Administration exceeded to such a large extent the average prices being paid in the surrounding areas. When submitting a claim for compensation it is usual for the owner of the property to support his claim and say how he has arrived at it. It is also normal procedure that the owner should call in an Appraiser to place a value on the property in support of his claim. What I would like to know is this.

Did the owners, in fact, support their claims with third party evidence regarding the value of the property? Was there a chorus of valuers supporting the claims of owners or was it merely a solo sung by Mr. Lieberman?

Mr. Chairman, what I want to know is this. Was the basis of compensation - average of Appraiser's values, Appraiser's values plus; if Appraiser's plus how was the plus calculated or, Mr. Chairman, was it a case of ask and ye shall receive; knock and the Treasury doors shall be opened unto you?

In his statements yesterday the honourable member for Mayfair stated that the Appraisers take no part in the negotiations; that all they were asked to do was to make their appraisements and thereafter the negotiations were handled departmentally. In this House we have been furnished with the information regarding the compensation paid. We have asked for the appraisements given, but have been denied that information as we have been told that pending the completion of negotiations it was not in the interests of the Administration to make such a disclosure. What I would like to know is this - was the compensation paid, the amount at which the properties were appraised or was the compensation paid some other amount?

It has been my experience that when appraisers make valuations of properties they take into consideration the values at which properties in the neighbourhood have changed hands. Anyone who has sat on a Valuation Court or who has appeared in Arbitration cases will know this. What I would like to ask is - Did the valuers have in their possession records of the sales in the area; did they take these sales into consideration in arriving at their appraisements?

Here I am subject to correction, but I have been

given to understand that in many cases the amounts paid were far in excess of the appraisals. I have been told, but cannot get confirmation, that in one case where the two appraisements were R28,000 and R32,000 respectively the compensation paid was R43,000:

I have recently received additional information in regard to the negotiations conducted by the University who acquired stands surrounding the oval, which is immediately to the west of the College of Education site. Five (5) stands, with a Municipal Valuation of R88,000: were purchased for R155,300: or 76% above Municipal Valuation, and I have been given additional sales figures since my information was taken out in respect of properties in the area between Jan Smuts Avenue and Victoria Avenue, and for the four properties purchased, with a Municipal Valuation of R66,000: the purchase price was R95,450: or 44.6% above Municipal Valuation.

In his reply Mr. van Vuuren made no reference to the properties purchased in 1962 - purchased by the Administration. In the one case the purchase price in 1962 was R20,000: and the compensation paid R47,040: and the other case, where the purchase price was R27,660: the compensation paid was R45,000:

Mr. van Vuuren dealt with the appointment of Appraisers, and said they were appointed by the Department of Justice. I would just like to draw to the attention of the House the change in procedure. At one time, when these appointments were made by the Master of the Supreme Court I understand that consultation took place with the Institute of Valuers regarding the appointments of Appraisers. I understand that now that the appointments are made direct by the Minister that no such consultations take place, and I also understand that it is not usual to allow two Appraisers to be appointed in any one firm, and that where applications have been made that this has been refused. There has been

an exception, however, in that I understand that in Mr. Zeff's firm, which is a relatively small concern, both he and his son have been appointed Appraisers, and that this has given rise to resentment amongst Appraisers as to why they should be so favourably treated.

In putting forward the merits of the Appraisers appointed, the member for Mayfair made reference to the Arbitration Proceedings in connection with the acquisition of Stands 19a and 20 Selby owned by Philipp Arnold (Pty) Limited. He stated that the Council had made an offer of R175,000: for this property - that the compensation awarded was approximately R205,000: and that the Council would be involved in legal costs to a further R15,000: May I just give some further facts in this case. The compensation claimed was R275,000: The value placed on the property by Mr. Zeff was R250,000: by Mr. Thomas R248,000: and by Mr. Balme R220,000: and as I said the Arbitrators' award was R205,000: so that you can see that in the case of all three Appraisers their valuations were disregarded by the Valuation Court.

On reading the evidence in these proceedings it appears that the major consideration by the Arbitrators in making their award was the fact that an offer to purchase the property had been made by the Standard Bank, the price offered being R180,000: and it was suggested that the Standard Bank could have been induced to increase that offer to R200,000: The valuations of Thomas and Zeff could not be substantiated by them and under cross-examination they could not support their valuations and the award clearly indicates this.

Evidence was produced in this case to show that Mr. Balme had on two occasions valued this property as at the same date, namely, February 1962. In one instance he had valued the property at R205,000: and in the second instance at R220,000: but when he appeared before the Arbitration

he did not disclose the fact of the lower valuation, although he was giving evidence under oath, nor could he give a satisfactory explanation of the two valuations and for this reason his evidence proved an embarrassment to his Counsel. He also had difficulty in reconciling his evidence to the 1961 valuation court with that of his evidence in the Arbitration proceedings. So here Mr. Chairman, we have the valuations of the three Appraisers in the Arnold case held up as an example of their capabilities whereas the facts do not support that their valuations were accepted by the Arbitrators. Two of the valuations being far in excess of the award, and the other whose evidence embarrassed his client.

It is really surprising to me that Mr. Thomas in his Affidavit, portion of which was read to this House, made reference to this case at all. The inference from the Affidavit was that this case which would support their valuations whereas, in fact, this was very far from the case. Why did Mr. van Vuuren only read portion of this Affidavit. Is it possible that the full Affidavit be made available to this House?

June 12, 1964.

Yesterday in this House a tirade was unleashed on my by the honourable member for Mayfair in connection with the queries I had raised in this House regarding the negotiations in connection with the purchase of properties for the College of Education.

He suggested that when putting my case I had used an unrealistic criteria of Municipal Valuations as foundations for my arguments.

It appears that it is necessary for me to refresh the memory of the honourable member regarding what I said about Municipal Valuations. I said that Municipal Valuations were not an inflexible guide, but they could be used to show a trend. I then, Mr. Chairman, gave figures of the extent to which Municipal Valuations had been exceeded in sales which took place in the 1962 and 1963 years in respect of the suburbs of Forest Town, Saxenwold and Upper Houghton. I then dealt with the sale of properties in Parktown, and I pointed out that in the portion of Parktown, between Jan Smuts Avenue and Victoria Avenue, the prices paid in 1962 were 30.6% above Municipal Valuations, whereas this had increased to 45% in 1963. I then gave figures of the properties expropriated by the City Council of Johannesburg, stating that properties with a Municipal Valuation of R186,000: had been purchased for R254,000: which was 37% above Municipal Valuation. I then, Mr. Chairman, went on to compare these prices with the prices paid by the Province. I compared the private purchases of 45.3% above Municipal Valuation with those of the Council purchases at 37% above Municipal Valuation with those of the Province which averaged 143% above Municipal Valuations: that was my basis of comparison.

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In his attack on me yesterday the honourable member for Mayfair suggested that I had tried to create a sinister screen around the activities of Mr. Lieberman.

If the honourable member will refer to my speech he will see that I stated that I was not complaining about Mr. Lieberman's actions: I stated that he had acted in a perfectly bona fide way, but I did state that as a result of Mr. Lieberman's activities owners were induced to claim greater compensation than they otherwise would have done, and, Mr. Chairman, I gave a specific instance of a person who was prepared to negotiate at a price and where, due to Mr. Lieberman's intervention, a higher price was asked and received.

In his reply the honourable member for Mayfair has not attempted to give to this House a reason why the prices paid by the Administration exceeded to such a large extent the average prices being paid in the surrounding areas.

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Here I am subject to correction, but I have been given to understand that in many cases the amounts paid were far in excess of the appraisals.

I have recently received additional information in regard to the negotiations conducted by the University who acquired stands surrounding the oval, which is immediately to the west of the College of Education site. Five (5) stands, with a Municipal Valuation of £68,000: were purchased for £155,300: or 76% above Municipal Valuation, and I have been given additional sales figures since my

information was taken out in respect of properties in the area between Jan Smuts Avenue and Victoria Avenue, and for the four properties purchased, with a Municipal Valuation of R66,000: the purchase price was R95,450: or 44.6% above Municipal Valuation.

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award was R205,000: so that you can see that in the case of all three Appraisers their valuations were disregarded by the Valuation Court.

But, Mr. Chairman, there is one further aspect of these Arbitration Proceedings which I feel I must mention, and Mr. Chairman, while I had this knowledge before I spoke last week, I had not intended disclosing it to this House, and it is only because the honourable member for Mayfair mentioned this particular case that I am now going to disclose this information.

Evidence was produced in this case to show that Mr. Balne had on two occasions valued this property as at the same date, namely, February 1962. In one instance he had valued the property at R205,000: and in the second instance at R220,000: but when he appeared before the Arbitration he withheld from the Arbitrators the fact of the lower valuation, although he was giving evidence under oath, and for this reason his evidence was discredited. So here, Mr. Chairman, we have the three Appraisers held up to us by the honourable member for Mayfair, two of whose valuations were far in excess of the award and the other whose evidence was discredited.

In his statement yesterday the honourable member for Mayfair suggested that I was trying to protect Mr. Balne. I would like to explain that Mr. Balne's name was misquoted in the SUNDAY TIMES as being Mr. Baun - this was the name given in the Hancard record which was given to me for correction and I did give the reporter of the SUNDAY TIMES the correct name, but unfortunately the spelling used in the transcript was used.

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