

# A Collins St. Gold Mine.

		<b>QUEEN</b>										<b>S<sup>T</sup></b>	
<b>I COLLINS</b>		11	M Carr	£ 40	1	J Rhinon	£ 30	1	J Mills	£ 42	11	<b>II BOURKE</b>	
		12	M Carr	£ 34	2	M Pender	£ 23	2	M Pender	£ 23	2		
		13	J Mills	£ 35	3	W Sharpe	£ 19	3	W Sharpe	£ 19	3		
		14	T Thompson	£ 29	4	T Napier	£ 21	4	T Napier	£ 20	4		
		15	T Field	£ 32	5	T Napier	£ 20	5	T Napier	£ 20	5		
		16	M <sup>r</sup> Allister	£ 35	6	J Hewison	£ 20	6	J Hewison	£ 20	6		
		17	M <sup>r</sup> Allister	£ 35	7	J Piers	£ 22	7	J Piers	£ 22	7		
		18	M <sup>r</sup> Allister	£ 35	8	C Goussack	£ 40	8	C Goussack	£ 40	8		
		19	D <sup>r</sup> Thompson	£ 46	9	C Goussack	£ 31	9	C Goussack	£ 31	9		
		20	M <sup>r</sup> Allister	£ 35	10			10			10		
		<b>ELIZABETH</b>										<b>S<sup>T</sup></b>	
<b>III STREET</b>		11	W Gardner	£ 22	1	H Balman	£ 28	1	J Roach	£ 28	11	<b>IV SWANSTON</b>	
		12	J Ross	£ 32	2	C Moore	£ 20	2	C Moore	£ 20	2		
		13	H Balman	£ 18	3	J Lancy	£ 20	3	J Lancy	£ 20	3		
		14	C Marshall	£ 18	4	J Darke	£ 19	4	J Darke	£ 19	4		
		15	C Pymm	£ 19	5	J M <sup>r</sup> Donald	£ 20	5	J M <sup>r</sup> Donald	£ 20	5		
		16	C Pearboro	£ 18	6	J Keith	£ 20	6	J Keith	£ 20	6		
		17	H Howie	£ 20	7	H Allan	£ 22	7	H Allan	£ 22	7		
		18	H Howie	£ 29	8	C Smisson	£ 30	8	C Smisson	£ 30	8		
		19	H Howie	£ 45	9	B Colar	£ 30	9	B Colar	£ 30	9		
		20	J Roads	£ 26	10			10			10		
		<b>SWANSTON</b>										<b>S<sup>T</sup></b>	

**How Land Values have  
Grown in Melbourne.**

# How Land Values Have Grown in Melbourne.

We have here a chart of the blocks of land which are bounded by Bourke, Queen, Collins, and Swanston Streets, and subdivided into four parts by Elizabeth and Little Collins Streets. The chart is copied from the original, which can be inspected at the Public Library, and gives the original number and size of the allotments into which the land was divided, names of purchasers, and the prices which each of them paid at the public auction held in 1837. As a document of the folly of our land system, and of the injustice which the community suffers from the appropriation by private persons of the wealth which the existing population produces, it is invaluable.

The following is an analysis of the figures which the chart contains:—Each block was subdivided into ten allotments, and the prices paid were:—For Block I. (less one allotment), £321; for Block II., £268; for Block III., £237; for Block IV., £247; or a total of £1073, making the annual ground rent, to be paid by users of the land, only about £160, even if such a high rate of interest as 15 per cent. is presupposed.

The present value of these same four blocks, without counting the buildings erected on them, has been estimated for us by one of the leading city valuers, as follows:—

	Feet.	Average Value per ft.	Estimated Total Value.
Collins St. frontage . . . . .	1,320	£1000	£1,320,000
Bourke St. „ . . . . .	1,320	550	726,000
Elizabeth St. „ . . . . .	1,002	600	601,200
Swanston St. „ . . . . .	501	900	450,900
Queen St. „ . . . . .	501	250	125,250
Lit. Col. St. „ . . . . .	2,112	350	739,200
Est. Lanes, Alleys, etc. . . . .	1,500	75	112,500
			£4,075,050

Taking interest, as ruling at present, at 5 per cent. only, this sum gives an annual ground rent of £203,750.

As it is the capitalised value of the annual ground rent which constitutes the value of land, we arrive thus at the following astounding facts:—

1. The owners of these few acres of land, for the use of the land alone entirely distinct from the use of the buildings thereon, can claim every year out of the wealth produced by the people of Victoria the enormous sum of £203,750, whereas 77 years ago they could only claim £160.

2. They paid £1073 for this privilege, which is now saleable at the sum of £4,075,050.

3. During the intervening years they have received in land values or ground rent at least £10,000,000 from the people of Victoria.

4. They have received this vast amount, and are still receiving it, without labour of their own. For as houseowners or traders they received the same interest or profit which fell to the lot of any other man who built houses or engaged in trade; they, however, simply as landowners, have received in addition the sums above stated.

5. The increase in the land value, or ground rent, of this land is due to the increase in the demand for the land, the labour of the community, and to the expenditure of the taxes levied upon the people. The fortunate landowners either live abroad and contribute no labour or, if residing locally, do so only to the same extent as any other citizen of equal capacity. In either case they pay comparatively little in taxation and, where residing abroad, have only recently been called on to pay anything at all.

Is it not time that this wholesale appropriation of the fruits of every man's labour, of which the above is merely an example, should cease, and that the taxes, instead of, as now, falling upon those who create this wealth, should be levied upon the men who merely appropriate it? This misappropriation of the wealth created by the community as a whole, together with a tendency to hold land out of use or full use, which the power to do so engenders, is responsible for the bulk of the existing poverty, for the scarcity of employment, for low wages, salaries, and profits, for our stagnant population, and for the general hardening of conditions which make it more and more difficult for any man to earn a living, in spite of all the progress which has so marvellously increased the power of every man to produce wealth. Why not then abolish this system of paying tribute for the use of land which we ourselves make valuable, which is bringing want and distress into so many households and which forces us to levy our revenue in a manner restricting our national progress and ruining our trade and our producers? No delay, nor elaborate machinery is required. We could commence to-day by taxing land values without exemption, and, co-incidentally, removing our present taxes and rates upon products of industry. Either we do this, and do it quickly, or nothing can save the bulk of our people becoming the counterpart of the landlord-ridden masses of the old world, the land systems of which we have fatuously followed.

## A Collins Street Gold Mine.

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"If there were in this country a deep, deep gold mine, from which to pay all the rates and taxes, I for one would be very glad."—Lord Roseberry.

One May day in 1837 a certain Henry Howey, owner and captain of a snug schooner on a voyage from Sydney dropped anchor in Hobson's Bay to land some stud sheep at Williamstown. He found the topic of conversation was the forthcoming Government sale of land on the Yarra Yarra. Mr. Russell, the year before, on a commission to survey the coastline of Port Phillip Bay, whilst waiting for horses to be broken in, had made a preliminary survey of the site for the proposed southern capital, and the Government, being short of money, had now decided to offer 50 acres of the land for sale, in half-acre allotments. Henry Howey gathered that the general opinion was that no sensible Williamstown man would speculate in land in such an out-of-the-way place as Melbourne, especially as one of the conditions was that, before obtaining his Crown grant, the purchaser should erect on his allotment a dwelling-house to the value of £50.

Interested, however, in the gossip, and with nothing immediately to occupy his time, Henry Howey decided upon rowing up the river to inspect the sites under discussion. Landing near the Queen Street falls—the streets had just been named—he was fortunate to come across a man who showed him the track to the surveyors' tents, which were pitched in Flinders Street, at the foot of Russell Street. Here he met Mr. Russell.

"From this spot," said Mr. Russell, "to Queen Street, there are five huts. Now our survey is completed, we find that some are in the middle of the roadways, but we, of course, recognise no proprietary rights. That hollow where the forest is particularly dense is Elizabeth Street. From there northward and eastward to Spring Street the ground is heavily timbered, but westward to Spencer Street it is only lightly dotted with sheoaks and wild cherry, more especially about Batman's Hill, which, in its rural beauty, reminds me of one of Claude's landscapes. Between Elizabeth and Queen Streets there is only a single dwelling, but further west there are several wattle and dab huts, a few houses, one or two Government buildings, and some cultivated ground. Mr. Ryrie has put some money into my hands to invest, and I shall buy for

him a block in Queen Street. If you intend to speculate a few pounds, take my advice, and invest in the same street. The sale is on the 1st of June."

Mr. Howey returned to Williamstown much perplexed. Should he invest the £150 he had put by in a shipping enterprise, in stud sheep, or in Melbourne land? Ships might be wrecked, sheep prematurely die, but land——? Mr. Hoddle, the Government auctioneer, was in Williamstown. He would ask his view. Mr. Hoddle almost settled the question. He was sure there was money in the investment. To prove it, he had offered to the Government to take an allotment of land in Elizabeth Street in payment of his commission as auctioneer at the coming sale.

Hesitatingly, Henry Howey arrived late at the scene of the sale on the 1st of June. The auctioneer, on a tree stump, at the edge of a small swamp, was haranguing a motley crowd. The Queen Street allotments were all sold. A half-acre allotment in Flinders Street, between King and William Streets, was just going. Henry Howey made the fatal plunge, and was declared purchaser at £27.

Four of the five 10-acre blocks—each divided into 20 allotments, of a small fraction less than half an acre each, were now disposed of. They had realised £1043, £744, £647, and £614 respectively.

Only one block now remained, but it, being heavily timbered, was held in less estimation than any of the others. The block was bounded by Collins, Bourke, Swanston, and Elizabeth Streets. It was the cheapest of the blocks sold that day. It brought £484.

Henry Howey bought two acres of this despised block for £120. At £60 an acre he had become possessor of land with a frontage of 264 feet to Collins Street, right through to and including the Little Collins Street frontage and including the whole of the west Swanston Street frontage between these two streets. (See chart on page 1, allotments Nos. 17, 18, 19, 20. The allotment marked "J. Woods" was bought by Henry Howey.)

Seriously considering whether it would not be well to forfeit the 10 per cent. deposit—14 guineas—he had paid down on his total purchase of 2½ acres, Henry Howey returned to Williamstown. Before the month of grace expired, however, he had made up his mind, and paid the balance like a man. Within three years, he, his wife, and all his children unhappily lost their lives at sea. But he had lived to hear that a half-acre allotment bought by Mr. Russell for Mr. Ryrie for £30 had since been subdivided, and one-half of it sold for £1500.

John Werge Howey, the eldest surviving brother, stepped into Henry's shoes, as heir-at-law, and not the least treasured of his late brother's effects were sundry pieces of parchment. But it was impossible that John should quite imagine the mad pranks that sportive Fortune intended to play for his advantage, with those scraps of greasy sheepskin.

The second half of the century has begun. Tens of thousands of the most adventurous spirits of the northern hemisphere eagerly hasten to Port Phillip and the new Eldorado which has been discovered there. They land in Melbourne. In Melbourne they purchase the outfits and sustentation they require at the mines. To Melbourne they send the result of their labour for transmission to other lands. Melbourne holds the key to the richest gold-producing land the world has so far seen. And, because of all this, the owners of Melbourne land can levy a toll on all that passes through it—a toll commensurate with these advantages.

John Werge Howey contentedly leans back in his arm-chair. No need for him to toil. No need for him to go to the fields. His gold-mine is in Melbourne. He owns two acres of land in the very heart of the city, every square foot of which is being eagerly competed for by enterprising traders and tradesmen.

John Werge Howey's fiat goes forth. His land shall go to the highest bidders, those who will pay the greatest amount per annum for its use. Another condition is the erection of a building of a certain value at each lessee's expense, such building to be kept in good repair, also at the expense of the lessee, and to become the property of the said J. W. Howey--after the lapse of twenty-one years. This, of course, was not at all an unusual contract in those days, and a concession in the rent was always made proportionate to the value of the building.

Greatly must John Werge Howey have marvelled at the veritable stream of gold which now flowed into his coffers, and to behold his land become covered with buildings which cost him nothing. Without work of any kind, the land yielded him this ever-recurring harvest of gold, which doubled, and trebled, and quadrupled as the years rolled on. The more the ground was reaped the richer and richer were the returns, and when, from time to time, the tenants made obeisance to their lord, and besought new leases, they were fain to re-take their shops upon increasingly large rent rolls, which relieved their potentate of almost every charge or expense. And John Werge Howey was not a hard landlord. He did only what any other landlord in his favoured position would have done, and is doing, in Melbourne, and was, and is, legally entitled to do. In 1871 John was gathered to his fathers. Since

then, Major John Edwards Werge Howey has been receiving the rents, and right through his representatives have treated the numerous tenants in a fair and equitable manner.

In 1888 (vide the "Argus," 8th September, 1888), Mr. A. Tuckett, now of the firm of Arthur Tuckett and Son, furnished the "Argus" with the information that the approximate value of the two acres of land—for which Henry Howey in 1837 gave £120—was then £1,139,500. That is to say, whereas the annual value of the land when purchased was £6, in fifty-one years it had risen to £56,000. (The allotment in Flinders Street, for which £27 was given, was valued by Mr. Tuckett at £85,800.)

It may be said that these are boom values. That the value to-day is not as high as that given in 1888. That the assumption then was that land users could afford to pay these outrageous prices for access to land. But recent sales of portions of the estate have shown that values to-day are mounting up to the level of Mr. Tuckett's estimate. The part known as Stewart-Dawson's corner, which has a frontage of 64 feet to Collins Street and 92 feet to Swanston Street, has just been sold (February, 1914). It is understood that the purchase money was about £90,000, which means about £1500 per foot for the Collins Street frontage. There is nothing to limit the price even to this high figure, as the demand for the use of the land increases; but, even if we put aside the enormous possibilities inherent in the site, its present-day value is a most substantial asset.

Week by week, month by month, and year by year, for the use of these few square yards of land, cargoes of wealth have left, and now leave, our shores, placed to the credit of the Howey family in the old land. And our enlightened Government, and the City Corporation, lovingly watch over, protect, and ever increase this land in value by the outlay of public money.

The question which, no doubt, the Howeys ask in the privacy of the family circle is—What manner of people are these Victorians to permit us to levy this enormous toll upon their industry, and ask so little recompense in return—a toll which, if not stayed, will ever grow and grow upon them as their population and governmental expenditure increases; who give also to others of our class the same privilege to an extent which to-day approximately totals £9,000,000 a year? What wonder that the mass of the people of their State are condemned to toil and poverty!

The question the people should certainly ask themselves, and answer, is—When will we become ordinarily sane and put a stop to this absurd, anti-social, and immoral system by Rating on Land Values only, thus relieving industry of its heavy and unnecessary burden of taxation?

# Rating Reform League

"To-day, in Victoria, when a man converts a wilderness into a garden, we increase his taxes; when he converts a garden into a wilderness we reduce his taxes. Verily, we are a great people."

## STATEMENT OF PRINCIPLES.

We hold that there should be complete exemption of improvements from rating.

That the present system of municipal and local rating penalises thrift and enterprise, hampers the industrial progress of the State, and is injurious to the welfare of the community.

That the present system of municipal and local rating taxes most heavily the man who is doing most for the community, while the man who is doing least for the community escapes lightly.

That this evil could be overcome by the complete exemption of all improvements from municipal and local taxation, and by placing rates on that value which land has apart from the value directly due to the industry and enterprise of its owner.

That for municipal and local rating purposes all buildings, fences, clearing, dams and other improvements should be completely exempted from taxation, all rates being imposed on the value of land alone.

## The Municipal Rating (unimproved values) Bill

which recently passed through the State Parliament (Jan. 1914) does not make Rating upon Land Values compulsory, but

## Leaves it Optional with the Municipalities.

The Rating Reform League is now endeavouring to carry the reform throughout the State, and, by means of public addresses, the issue of leaflets, letters to the Press, and other means, is educating public opinion, so that Municipal Councils may be induced to adopt the new system.

## THE LEAGUE APPEALS

to all who are desirous of improving general conditions to give financial aid to the campaign for bringing about the adoption of this just and practical Rating Reform

MINIMUM SUBSCRIPTION, 2/6 per annum.

Subscriptions and Donations may be sent to

## The Rating Reform League,

London House, 97 Elizabeth St.,

MELBOURNE.

Leaflet No. 14.

'Phone 8035

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