

buildings, thus enabling land to be left for green belts. The chairman rejected as ineffective regulations to freeze the price of land or control the selling price in relation to buying price, or control the accounts of building companies, or setting up a fund to lend capital equipment. A suggestion of Mr. Sauvy, to set up a government department with the monopoly of acquiring land in specific areas at the price previously paid, was also rejected.

(Translated by F. D. P.)

Modern Alchemy In Australia

Reprinted from *Progress* (February)

THE ancient alchemists sought for centuries a means to change base metals to gold. Their search was in vain. But we have discovered, and are demonstrating in a large part of Australia, an alchemy of more importance to ourselves and humanity than that vainly sought by these past philosophers.

This modern alchemy is the transformation of land previously held idle for a speculative rise in price into fine homes occupied by many families. A variant is the regeneration of decrepit slum and blighted areas.

These might well be that finer alchemy that Isaiah had in mind, (ch. 58, v. 12) when he said: "They shall build the old waste places; thou shalt raise up the foundations of many generations; and thou shalt be called the repairer of the breach, the restorer of paths to dwell in."

The 'elixir of life' that produces these results was found to be to shift rates or taxes from buildings and place them on the raw value of the land. The initial experiments in this country with the modern "philosopher's stone" were in Queensland in 1887 and have since extended to more than nine-tenths of the municipalised area of the continent.

They have been producing their transformation silently but surely ever since. Their leaven loosened the vice-grip of land monopoly which had enveloped this continent and restricted the opportunities for livelihood for a much larger population.

To the continuous operation of this regenerative force we owe the fact that our diffusion of wealth and living standards are among the best in the world. So natural and ever present are the effects of these conditions over most of the continent that we are not aware of the relation of cause and effect. There is no standard of comparison readily available to the ordinary citizen. Herein there is danger. We should recognise, remind ourselves, and blazon to others the reason for our better showing.

This difficulty of comparison applies to Queensland, New South Wales and most of Western Australia because the elixir has been operating there over almost the whole States for over 50 years.

But in Victoria more and more local government areas each year change to de-rate building and other improvements, and rate site-value instead. In some the change-over is complete, covering water and sewerage as well as normal municipal services. But these municipalities provide standards of comparison that may well be studied by people in all countries of the world. Here is our social laboratory where the results can be assessed.

The building permit figures published from time to time in our paper have shown that this change is followed almost invariably by a marked step-up in the level of building construction. This has been true of even the oldest and most decadent towns. It can be reckoned generally there will be about a doubling of value of building construction within two or three years.

In the last issue we dealt with Wonthaggi Borough, while below are the building permit comparisons for Ararat City, Benalla and Moe boroughs, which have also now had two years' experience of the regenerative influence of site value taxation. The figures speak for themselves.

PERMITS FOR PRIVATE BUILDING CONSTRUCTION

Below are the summarised totals of private building permits (excluding Housing Commission activity) in three provincial municipalities which have just completed their second year since the change to levy local taxes on site-value only in lieu of the value of buildings and other improvements. The figures are supplied by the Land Values Research Group from permit records made available by the Commonwealth Statist. New private dwellings and alterations and additions are the most significant items. Commercial buildings vary greatly in value, and the numbers involved are relatively small.

U.C.V. means rating unimproved capital value (site-value).
N.A.V. means rating annual rental value (land and buildings).

			Dwellings	Other Buildings	Additions Alterations	Total
		Nos.	£	£	£	£
ARARAT CITY						
1960	U.C.V.	40	134,905	59,950	23,911	218,766
1959	U.C.V.	34	111,858	67,500	31,804	211,162
1958	N.A.V.	28	87,580	47,500	7,224	142,304
1957	N.A.V.	25	77,785	20,600	16,729	115,115
BENALLA BOROUGH						
1960	U.C.V.	51	211,350	78,500	32,535	322,385
1959	U.C.V.	51	186,250	60,600	18,600	265,450
1958	N.A.V.	34	113,750	78,000	17,870	209,620
1957	N.A.V.	36	119,450	35,000	10,085	164,535
MOE BOROUGH						
1960	U.C.V.	73	247,796	128,734	40,040	416,570
1959	U.C.V.	62	194,039	51,105	37,036	282,180
1958	N.A.V.	65	174,299	108,450	27,210	309,959
1957	N.A.V.	53	141,680	13,500	31,041	186,221