

THE MEEK SHALL INHERIT THE EARTH

Adelaide Investor Knows How

By E. J. Craigie

The sale of the Y.M.C.A. property on 22nd June aroused considerable interest. The building consisted of a basement, ground floor, first and second floors, in which were five shops in Grenfell Street, seven shops in Gawler Place, the Victoria Hall, as well as Show rooms and Offices.

The assessment of the land in 1922 when the building lease was taken by the Y.M.C.A. was £33,210, and the State Land Tax then paid £69/3/9. The 1950 land tax assessment was £112,368, and is the latest available. Following the repeal of the Federal Land Tax in 1952 the State Government increased its land tax rates to gain some of the revenue which previously had gone into the Federal Treasury. The rate which affected this site provided that for £80,000 of values the tax should be £1,401/0/10 and all values above that amount should pay 7½d. in the £, thus making the tax on this land site £2,412/10/10.

The bidding for the property started at £150,000 and advanced by £10,000 bids to £240,000. Then there was a bid of £5,000 and the property was sold for £245,000. This was a very reasonable price, especially when it is remembered the land alone was assessed at £112,368 in 1950. This does not represent £1,000 a foot frontage in Grenfell Street, and values have advanced since 1950.

There is an interesting history associated with this property which we now present so that the general public may be conversant with it.

On 3rd July, 1922, a public announcement was made to the effect that the Young Men's Christian Association had completed arrangements to purchase the premises occupied by them at the corner of Grenfell Street, and Gawler Place, Adelaide.

Some details regarding this area of land are of public interest. It is part of Town Acre No. 106, and the whole acre was purchased by Mr. Robert Gouger for £8/2/- at the Government Land Sale in 1837.

The portion of this acre measuring 123 feet frontage to Grenfell Street and 148 feet frontage to Gawler Place now the property of the Y.M.C.A., was purchased by William Paul Featherstone, and we understand the price paid by him was £500.

The improvements upon the land were erected by the Y.M.C.A. under a building lease from Mr. Featherstone. The terms of that lease were that a ground rent of £1,600 per annum be paid for a period of forty years, and buildings to be erected to the value of £25,000. The Y.M.C.A. to pay all rates and taxes and keep the improvements in good order and repair, and at the expiration of the lease the land and the improvements on it revert to the Featherstone estate without any payment.

Prior to the expiration of this lease the Trustees of the Y.M.C.A. were concerned about the future of their Association, and considered whether they should build headquarters elsewhere, or endeavour to purchase from the Featherstone estate the property they had already paid for.

After consultation with the representatives of the Featherstone estate, the Y.M.C.A. became the owners of the property by the payment of a further £56,000 and an agreement to pay an annuity of £300 per year during the life of the three beneficiaries under the Will of the late William Paul Featherstone — the youngest beneficiary then being seven years old.

It will thus be seen that during its forty years lease of the land the Y.M.C.A. paid £64,000 in ground rent, spent £27,000 in erecting and furnishing the property erected on the land, paid all rates, taxes and repairs, and then £56,000 more to secure the freehold title. This made a total payment of £120,000 to the Featherstone estate to secure occupation of an area of land that Featherstone has secured for about £500.

In addition to these payments there was the annuity of £300 a year to the three beneficiaries under the Will, but we understand that at a later date this annuity was cancelled.

Apart from the annuity the above facts demonstrate that this total payment of £120,000 made to the Featherstone estate, enabled it to collect approximately £3,000 per annum for 40 years, although its outlay on the land was a mere £500.

Legal Power to Exploit Land Users.

Here we see a typical example of the power possessed by land monopolists. The Y.M.C.A. was rendering splendid service to society by providing facilities for developing a high moral and physical standard in connection with the youth of the nation, yet under an unjust land system they were penalised to the extent of £120,000, plus the rates, taxes and repairs which must have run into many thousands of pounds.

On the other hand William Paul Featherstone did not render any service whatsoever for the money he received from the Y.M.C.A., yet the law permitted him to exploit the needs of this very fine institution.

The Psalmist tells us:—"The Earth is the Lords, and the fulness thereof," and in the Bible it is also stated:—"The meek shall inherit the Earth," yet, despite the fact that Parliament sittings are daily opened with the reading of a prayer to direct members to do God's Will, those members still permit land monopolists of the Featherstone type (he is only one of many) to get rich without working, and unjustly penalise those who render services of many kinds to society.

Although the Bible makes it clear that "The profit of the Earth is for all" yet all political parties are guilty of allowing the major portion of that profit — the community — created land values, to flow into private pockets, and then add insult to injury by imposing a heavy taxation burden upon the industrious members of the community who use their labor and capital to assist in the production of wealth.

How much longer is this unjust system to continue?