

Victor Moore Made Rich by Vacant Lots

REFUSES \$250,000 FOR JACKSON HEIGHTS LAND
HE DID NOT WANT TO BUY

BY LANCASTER M. GREENE

VICTOR MOORE, sentimental film actor, might well be called a rich man, and a big share of his money can be attributed to six lots in Jackson Heights, which he purchased years ago for \$8,100 and for which he refused to take \$250,000 because those vacant lots of twenty years ago, are worth a great deal more than the offer made. They front on three streets, have a subway station in front and are in a spot where every chain store organization seems to be eager to locate. According to the story in *The American Magazine* for October, entitled "Gentle Victor," an actor who sold real estate on the side made him buy the lots.

"I had been able to shoo him away," Victor said, "for the very good reason that I didn't have any money. One morning he came to me and said an aunt of his had come all the way from Washington to bet on a horse that was sure to win. He said if I'd bet \$300 I'd make enough to buy the lots.

"It sounded pretty good, so I hocked my wife's diamond earrings for \$300 and went out to the track. The horse was quoted at 16 to 1. That scared me. It was too much for a long shot, so I bet only \$50. And the horse won!

"The real estate man was waiting when I got the \$800 from the bookmaker. That was the first payment on \$8,100 worth of lots. After a good many years I paid for them. Once I tried to sell them for \$20,000 because I needed money to bet on a horse, but nobody would touch them."

The city cut two streets through the section, one on each side of his lots, and when it had finished building a subway he found a station constructed at one side of his land.

Those vacant lots without effort on the part of Victor Moore have been increased in value from \$8,100 to \$250,000 by community activity. Victor is enabled to collect rent produced by society.

Economic Effects

THE economic effects of rating land values are exactly the opposite of those flowing from the rating of improvements. To the extent that buildings and improvements were exempted from rating the cost of occupation of them to the occupier would be reduced. This would be of special advantage to the smaller occupiers who have to pay a considerable portion of their income in rent, and who, therefore, under the existing system have to pay a disproportionate share of local taxation. If buildings were completely unrated, the problem of providing

accommodation, at rents they could afford to pay, for those who at present are living in overcrowded or insanitary accommodation would be greatly simplified.

As a rate upon land values would fall upon land according to its full market value, and would fall upon land irrespective of whether it was used or not, it would discourage the holding of land out of use or badly used. It would stimulate the owner either to use it himself or to let others use it who were able and willing to do so. By thus discouraging the holding of land idle it would tend to reduce the price or rent charged for land.

The general effect, therefore, would be to encourage production, both by securing that land could be obtained at more reasonable rents or prices and by exempting from rating the buildings and other improvements made on it. It would therefore tend to a larger volume of productive employment.

It should also be observed that a rate on land values cannot be shifted by owners of land on to tenants. This is one of the few propositions in economic science upon which there is general agreement. The reasons for this are almost self-evident. Rent is determined by supply and demand. The imposition of a rate on land values does nothing to reduce the supply of land and so enable the owner to get a higher rent. On the contrary, as it stimulates the bringing of vacant land into use and the provision of more accommodation, it tends to increase the available supply of land and to reduce rents. Hence the rate cannot be shifted by increase of rent.

The Rating (Taxation) of Land Values.

By F. C. R. DOUGLASS, London, England.

THAT amid our highest civilization men faint and die with want is not due to the niggardliness of nature, but to the injustice of man. Vice and misery, poverty and pauperism, are not the legitimate results of increase of population and industrial development; they only follow increase of population and industrial development because land is treated as private property—they are the direct and necessary results of the violation of the supreme law of justice, involved in giving to some men the exclusive possession of that which nature provides for all men.—PROGRESS AND POVERTY.

THERE is no place in the thinking world where Henry George is not still read; where he has not followers. He is inextricably woven into the liberal thought of the world.—IDA M. TARBELL.

MANY politicians of our time are in the habit of laying it down as a self-evident proposition that no people ought to be free till they are fit to use their freedom. The maxim is worthy of the fool in the old story who resolved not to go into the water until he had learnt to swim.—LORD MACAULAY.