

This Kind of Gambling Is Legal and Taxed at the Minimum Rate

“THERE’S money for you in vacant land,” writes Robert Hunt in the March Journal of Lifetime Living, and he quotes John Jacob Astor, who once advised, “buy on the fringe and wait. Buy land near a growing city. Hold what you buy.” This must have been good advice, for the estate of the late Vincent Astor, estimated at between 100 and 200 million dollars, has been reported as growing at the rate of \$200,000 a month.

After citing examples of acres bought in 1950 in the South which sold five years later for ten times their purchase price, he outlines the formula: Look for a fast growing city, then buy near it. Coastal cities expand fastest because they can expand in only three directions. Look for acreages on main arteries to cities and buy as near the city as possible.

If all the good places are already held by “experienced speculators,” look in back of them, he suggests, maybe you can still find a spot somebody hasn’t earmarked for future “unearned increment.” Look for rectangular shaped plots rather than L-shaped ones or long slender ribbons. “Place yourself in the hands of a seasoned realtor who specializes in acreage, buy a piece of land within your means . . . be prepared to pay taxes and mortgage payments until your investment ripens.”

Now that you know what to do to make yourself financially independent after retirement, here is the author’s explanation of why land values rise: “Land is limited in quantity. But population is not. And

everyone needs real estate, everyone uses real estate. Thus, as population grows and the demand for land increases, land values rise. Since population growth raises land values, these values rise fastest where the population is increasing most rapidly.”

In this connection it was interesting to read the frank confessions of some of the lucky investors who were quoted in a series of articles in the New York Herald Tribune, descriptive of “the new Third Avenue.” Once a street darkened by a rumbling “L,” and known as a low-rent slum area dotted with antique shops, funeral establishments and saloons, it now, after removal of the “L”, is becoming a fashionable residential thoroughfare, as well as a popular commercial street.

“It’s the man in the middle of the block who holds the aces,” said Seymour Durst, who now owns more Third Avenue property than any other developer, including, of course, many “middle pieces.” This seems to contradict the usual advice to buy corner plots, but is understandable when one examines the problems encountered in dealing with “emotional tenants” who refuse to give up their holdings except, possibly, for dream-like prices.

Mr. Durst was “stuck” with property on the Avenue in 1944 at \$9.50 a foot, but by 1952 he was buying lots in the vicinity of 42nd Street “with the idea that they would lie dormant.” He was surprised by the speed of the building boom, just as the natives were stunned by it. Now, as one tenant commented, there is

not a single park or open area along the whole length of the street.

Apparently there are no "retirement possibilities" left here however, since Mr. Durst, at least, stated that he could see nothing now that would make sense as a purchase. Residents are putting an "emotional value" on their old saloons and shops. One syndicate uses as many as eight different brokers to assemble an apartment site, each working on an owner in "his own wily way."

Among the luxurious apartment houses to be ready next year will be Imperial House, between Lexington and Third Avenue from 68th to 69th Street, one block from the headquarters of the Henry George School. Unwittingly Imperial House could teach a lesson in political economy to city governments in their frantic search for housekeeping funds. Small gamblers pay a maximum tax at the source (even when they lose)—large ones pay a polite minimum on "capital gains."



Mr. and Mrs. Robert Benton of Delaware, Ohio, and Robert Tideman of San Francisco. Mr. Benton is director of the Henry George School in Detroit, Mr. Tideman is the San Francisco director and executive secretary. Both are actively interested in civic affairs.

JEFFERSON AND THE LAND QUESTION

A new pamphlet published by the Henry George School is *Jefferson and the Land Question*, a rediscovery. It was written by Henry George, Jr. in 1904 for a set of volumes on Thomas Jefferson's writings and shows how close was Jefferson to Henry George's thought.

This 16-page pamphlet is being priced at only 5 cents a copy. Because of a printer's error in omitting the name of the school, a second printing was made at no extra cost. We want to pass this saving on to HGN readers and are offering two pamphlets for 5 cents—one with the imprint of the school and one without. If you wish, you may send one dollar and receive, not 20, but 40 of these pamphlets. You will find many uses for them, as when writing to friends, editors and your Congressman.

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