

## SHIFTING the TAX

By HENRY GEORGE

**Question**--One thing bothers me in your plan. You say the tax (on ground rent or land-values) cannot be shifted by the landlord onto the consumer. I have read *Progress and Poverty*, etc., etc., but I cannot get it into my cranium, which may be thick, muddled or otherwise, how the tenant is to escape paying the tax. I can easily see how he can escape paying the rental value, but how he is to escape both rent and tax I cannot see; nor even if he could, as he is the user of the natural opportunity, why should he not pay the tax? If a man built a house which cost \$2,000, the ground rent of which was \$60 per annum, in calculating what he could rent that house at on your plan, how would he calculate, eliminating depreciation and other matters, \$2,000 at 6%, \$120, or \$2,000 at 6% and \$60, \$180? If he cannot collect the tax from the tenant, how is he to get his money out of the operation? Trusting you will clear away this cobweb in "Queries" column in the *Standard*, I am, respectfully, David Martin.

**Answer**--The tenant cannot escape paying the tax if the land has value. What is meant by the expression, "the tax cannot be shifted," is that the tenant could not be made to pay more to his landlord if the land-value were taxed than if it were not. You are wrong in supposing that the tenant would not pay the rental value. He would pay the rental value, and out of what he thus paid, the landlord would have to pay the tax. If the rental value were \$100, that is what the tenant would have to pay, and he would have to pay it, tax or no tax. But if the tax were \$50, the tenant would not have to pay \$150. He would still pay \$100 and the landlord, instead of retaining the whole \$100, would retain \$50 and pay \$50 for his tax.

A tax on a house can be collected of the tenant. If a house

that rents for \$100 is taxed \$50, the tenant must pay \$150 or the builder will not be able to get his money back and the business of building houses will be so unprofitable that the supply of houses will fall off.

If you do not yet understand, read my article *Taxing Land Values* in 'Land and Labor Library.'—*Standard*, Oct. 29, 1887.

Mr. George's Article on "Taxing Land Values" (6 wide newspaper columns 18 inches long) is now -1941- out of print. There have not been any *verbatim et literaliter* reprints for many years. A very short extract may be found in our Tract No. 20.—Ed.

### What Books to Read--By Henry George

AS TO MY BOOKS—a question that I am frequently asked: *Progress and Poverty* is the most thorough, but it is in reality a scientific book, and though in writing it I did my utmost to make its reasoning as clear as possible, there are yet parts of it which from their very nature are difficult to those who have not been accustomed to close thinking. It is a book to be read, not once, but several times. *Social Problems* is, in my opinion, a better book for most people to begin with, and *The Land Question* and *Property in Land* being shorter, are even better adapted for the first reading of a large class.—*The Standard*, Dec. 31, 1887.

### George's "Forbidden" Speech

IT IS WORTH thinking of; and worth thinking of in the churches; worth thinking of on Sunday nights or Sunday mornings, on the best of our days; for it is a libel on Christianity to call the conditions which exist in our cities today, a Christian civilization. A Christian civilization would have no paupers, no tramps, no men and women and little children starving in the midst of plenty. In a Christian civilization there would be enough for all, enough not merely to eat and drink, but enough for all the higher necessities of man's being. That is what we aim at in single-tax.

From an address which the Wilmington, Delaware, authorities forbade Mr. George to deliver on a Sunday. However Mr. George defied the authorities in this matter of free speech and the event went ahead as scheduled at the Opera House, Sunday evening, November 3rd, 1895.