

On Shifting the Tax

On the question of whether the land value tax can be shifted, a few further observations may be permitted. It sometimes appears that the owner of an apartment house is able to raise rents because his land value taxes have been increased. Investigation, however, will show that in such cases the tenant feels that he can better afford to pay the moderate increase demanded than be put to the expense and trouble of moving. And the tenant, it will be noted, is *already* a tenant. Competition will prevent the landlord from exacting a higher rate from a new tenant, and if he gets it from the old tenant it is only by what might be called loosely some form of blackmail.

The situation with a retailer is much the same. If he meets the landlord's demand for a higher rent, it is not because the latter's land value tax has been increased—even though that may be the case—but because the retailer has built up a clientele in that location and would rather submit to a small increase than jeopardize his following by moving. This is especially true if, as is usually the case, the lease comes up for renewal the first of October. In the majority of retail lines more business is done in the months of October to January, inclusive, than in all the other eight months of the year.

Moreover, the retailer, if he moves, will have to have new equipment and fixtures. What might continue to serve for years in the old location will neither fit nor suit the new place. More often than not the expense would appear prohibitive, to say nothing of the fact that in present circumstances, equipment might be impossible to obtain. Thus the prospective loss of business, at least temporarily, the cost of moving and the heavy cost of new equipment, usually disposes the tenant to accepting the higher rate. But here again it is only that he is accepting the lesser of two evils which the landlord is able to inflict upon him by reason of circumstances which have nothing whatever to do with any increase in the latter's land value tax.

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