

*Stop
Legal
Stealing*

— JOHN C. LINCOLN

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CHAPTER I

Why this pamphlet was written

Our man-made laws prohibit killing, stealing, rape, carelessness with fire, parking in the wrong places, etc. It is to be expected that we should assume if we obey these laws that justice would be done in all relations of life. When someone asserts, as this pamphlet does, that there are man-made land laws that make stealing on a gigantic scale legal, most readers automatically assume that such a statement cannot be true. To convince the average reader that our man-made laws take an estimated \$75,000,000 or more from the community a year and give it to a group that does nothing to produce it will require careful demonstration. It will require careful thought on the part of the reader because if the stealing asserted in this pamphlet actually occurs the average reader will be one of those suffering on account of this theft.

Our man-made land laws have descended to us unchanged for over four thousand years. It is reasonable to look with suspicion on man-made laws that have not changed since slavery and war were regarded as the normal nature of things.

Our man-made laws recognize the fact that everyone is born with natural rights, such as the right to life and liberty.

Most of us are sure that our man-made laws recognize all the important natural rights of each one. Most of us are sure that the Bill of Rights in our United States Constitution contain all the rights that any one of us has.

When this pamphlet asserts that there is a natural right of every individual nearly as important as the right to life that is not recognized by our man-made laws, the reader will conclude at first that the statement cannot be true. It will require careful demonstration to show him that it is true. Also, it will require careful thought on the part of the reader that if it is true that

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there is an important natural right not recognized by our man-made laws, the reader may be one of those who suffers from this lack of recognition.

It will not be so difficult for the average reader to admit that possibly there may be some injustice in our present man-made laws, if he will remember the laws which governed the United States less than one hundred years ago; up until 1860 slavery was legal and considered just by practically everyone in the United States. Slavery had existed for thousands of years and was legal in most of the countries of the world. The writers of the Bible were the most forward-looking people of the age in which it was written, but they all accepted slavery as part of life. These writers required kindness to the slaves but did not recognize slavery as wrong, and as a practice which should be abolished. To put it another way, the writers of the Bible were so accustomed to slavery that they did not recognize its injustice. The same situation exists today with respect to our man-made land laws. We are so used to them that we do not recognize their injustice.

This pamphlet is written to see whether the government has the moral right to collect an appreciable part of the wages of the worker in the United States to support the government. A large part of the expense of the government is paid for by a tax on wages. The law compels the employer to deduct part of the wages the worker earns and to send these deductions to the Department of Internal Revenue every month. These deductions amount to a considerable cut in take-home wages. The government takes 52 per cent of the profit of corporations and up to 90 per cent of the income of some of its citizens. Local taxing authorities levy taxes on the homes and personal property of its citizens.

This method of raising money for public purposes has been going on for thousands of years, and to question the moral right of the government to get what it has to get in order to exist by this method will sound unreasonable to many who read this. I hope to show that the government has no moral right to collect taxes on the wealth of its citizens. To most of my readers that will seem unreasonable and radical, but I will call the attention of such readers to the fact that, less than one hundred years ago, the proposition to abolish slavery seemed unreasonable and radical.

It is less than one hundred years ago, when slavery was abolished, that our man-made laws acknowledged the fact that what a man produced belonged to him because he produced it. No other man has any right to it. Slavery existed for thousands of years because it was legal for the master to appropriate what the slaves produced. Most of us would agree that natural law recognizes the fact that what a man produces belongs to him and no one else has any right to it. When man-made law was changed to correspond to natural law, slavery disappeared.

At present, our man-made laws recognize the fact that every man has a right to the wealth produced by his labor from land or its products—that no one else has any moral right to what someone else has produced. But these laws assert the right of the government to take any part of what a man produces to pay for the expense of the government. The question arises: Has the government any moral right to do this?

On the surface, the position of the government, when it claims the moral right to take for government expenses part of the wealth produced by the individual, is very questionable. It is agreed that no individual in the United States has any moral or natural right to take any part of what some other individual has produced. If there are 170,000,000 people in the United States and none of them has any right to what someone else has produced, how can the government of the 170,000,000 people have any moral right to it? For 170,000,000 times zero is still zero.

I hope to show that there is a fund produced by the community that is the natural source of revenue for the government, and therefore the government has no moral right to collect by taxes part of the wealth produced by its citizens.

Before beginning the discussion, it is best to define some of the terms which will be used.

LAND. In economics the term "land" includes all natural resources. Waterfalls are used to make power. Waterfalls are a part of natural resources and are included in the term "land". The same is true of harbors and rivers. Land is the raw material of all wealth, but since it is provided by the Creator it is not wealth. **WEALTH** consists of material things produced by labor from land to satisfy human desires. This definition excludes evidences

of wealth from wealth. The man who owns United States bonds may be wealthy, but no one would say that United States bonds are wealth. If all the bonds outstanding were destroyed, the wealth of the United States would not be changed at all. What the bondholders would lose, others would gain.

CAPITAL is wealth used to produce more wealth. Farmers today produce many times as much as their grandfathers did on the same land. The reason for this is the use of better machinery at the present time. Factory buildings and machinery are part of the capital of the country.

WAGES are the payment for labor, either by hand or brain. The gold the Forty-Niners gathered from the creeks in California were their wages and were so-called. The crops the farmer raises are his wages after he has paid for the use of the land and for the use of the machinery he uses. Most wages are paid by the employer to the employee for labor, usually in money at regular intervals.

INTEREST is paid for the use of capital and includes more than is paid to a bank as interest on a loan of money. The farmer or contractor rents machinery. What is paid in interest. Most of ordinary house rent is interest.

GROUND RENT is paid for the use of land. The term "ground rent" is not used much in ordinary conversation, but it is very real and important. Ground rent is produced by the presence and activity of the community.

Since this book is a discussion of the origin and proper use of ground rent, it is well to get a clear idea of what it is and how our man-made laws treat it.

After the Dutch founded New Amsterdam, the population of the city at the south end of the island increased the value of crops raised on a farm in the middle of the island. This made it possible for the owner of the land to get a higher rental for his land than he could get before the city existed. As the population increased, the land could be of more profitable use as a location for a factory than as a farm, and the owner of the property could get an in-

creased rental. At the present time, the population of the city and country has grown so that it pays to cover the old farm land with office buildings of 30 and 40 stories, and the rental of the land approaches \$1,000,000 per acre a year.

At present, our man-made laws foolishly permit the landowner to collect this rental. It is obvious that the ground rent approaching \$1,000,000 per acre per year is due to the presence and activity of the ten million people of New York and vicinity.

LAND VALUE is ground rent capitalized. The community, by its presence and activity, creates annual ground rent in a piece of land. Our man-made laws permit the landowner to collect the ground rent and any future ground rent on the land he buys. If the ground rent is \$500 per year on a piece of land, the purchaser would be willing to pay about 20 times the yearly income for the land. The capital value of a good bond paying \$500 per year would be about 20 times \$500, or about \$10,000.

GROUND RENT is what people are willing to pay per year for the exclusive use of a piece of land. In the country the ground rent is determined by the fertility of the soil. It is what people are willing to pay for the use of the soil. In or near the city, ground rent is determined by what people are willing to pay per year for the exclusive use of a piece of land as a location for a house or a factory or an office building.

The writer owns stock in three companies owning buildings built on land that pays ground rent. The buildings belong to the companies, the land belongs to someone else. The company pays ground rent quarterly for the use of the land. I understand that the habit of building houses on land that pays ground rent is much more common in England than in the United States.

CHAPTER II

Ground rent belongs to the community because the presence and activity of the community creates it

Many of us have lived in fast-growing cities and have seen the value of the land increase from what it was worth as farm land—say, \$40 or \$50 an acre, to what it is worth as land for building lots—thousands of dollars per acre. Less than twenty-five years ago, the writer bought 300 acres of land about twelve miles from the center of Phoenix for \$40 per acre. Later this land was sold to Camelback Inn and now the Inn is selling out this same land for \$10,000 per acre for building lots. It is clear that this increase in selling value is due to the increase in the population of Phoenix. Is it not clear that the increase in land values due to the increase in population belongs to the population that produced it? At present it is radical to say that this increase in land value due to population belongs to the population that produced it because for thousands of years our man-made land laws have given this increase to the landowner and not to the population that created the increase in value.

What actually happens when a city grows is that the increase in population increases the ground rent that people are willing to pay for the exclusive use of a piece of land for a year. Is it not clear that this increase in ground rent belongs to the community that created it? Our man-made land laws give ground rent to the landowner instead of to the community that created it and the community is defrauded when this happens. Our land laws give ground rent to the landowner and land value is this ground rent capitalized. This makes the price of land artificially high. It makes the price of land so high that most of us are never able to own a piece of land. Not only is the community defrauded when the

ground rent that belongs to the community is collected by the landowner but every individual is defrauded of the right to land without paying some other man an artificially high price for it.

Every one would agree that when a farmer uses his labor and machinery to raise a bushel of wheat, the wheat belongs to him because he has created the wealth represented by the wheat. The presence and activity of the community creates land value just as surely as a farmer creates the value represented by the wheat. This land value created by the community belongs to the community just as surely as the wheat raised by the farmer belongs to the farmer.

We are now confronted by the astonishing fact that our man-made land laws give the ground rent that belongs to the community to the landowner who should pay the ground rent to the community. If the community collected the ground rent it produces, it would have a natural source of revenue but the landowner would lose the ground rent that is now capitalized into land value.

To put it another way, our land laws make it legal for the *landlord to steal from the community the ground rent that belongs to the community and use it to create land value.*

It is clear that if the community collected the ground rent it produces, instead of allowing the landlord to steal it, the selling value of the land would disappear. Land would be as free of purchase price as air is today. The present selling value of land is high enough so that most of us are not able to become landowners.

It is clear that if the community collected the ground rent that belongs to it, the landholder would have to pay ground rent to the community instead of allowing landholders to capitalize this ground rent into land value. The net result is that land would be free of selling price and the community would have a natural source of revenue for government expenses.

We are so used to living in a society where land has selling value that it is hard to imagine what it would be like if land had no selling value. In the first place, it would be easy to see that everyone had an equal right to land as they have to air and sunshine. We would all admit that in a society where slaves had selling value, it was legal stealing for the master to appropriate what the slave produced. If we think about it carefully, we would all admit that it is legal stealing for the landlord to appropriate what

his tenant produces. When the selling value of land disappears, land tenants disappear.

Most of us would agree that the Russian government has no right to seize the crops raised by the workers on land that the government claims to own. The fact that everyone has an equal right to land does not mean that the government can own land, any more than the fact that everyone has an equal right to air and sunshine proves that government can own air and sunshine.

The fact that the community creates ground rent is generally recognized. If this is so, it follows that the community should collect this ground rent for community expenses and not give it to landowners who, as landowners, do nothing to produce it. The right of the community to collect the ground rent it produces is not generally recognized.

What is the reason that the community has failed to collect the ground rent that belongs to it? Probably the chief reason is that our land laws have resulted in land being considered private property. Everyday experience makes it clear that land has its best use when used as private property.

In another chapter in this pamphlet, a method is proposed that recognizes the equal right of everyone to land and still allows land to be used as private property. When the community collects the ground rent that belongs to it and land ceases to have selling value, the necessity for such a method would be obvious.

The proposal to permit the community to collect the ground rent it produces is radical at the present time, but it is just as reasonable a right as the proposal to abolish slavery was a hundred years ago. We all agree that the legal title to the slave a hundred years ago was not good because the slave really belonged to himself. The legal title rested on force. All of our land titles originally came from the government. The land titles to Canada were good because the English at Quebec were victorious over the French. The land titles in the United States are good because the United States was victorious over the English, Mexicans and Indians. Titles depending on force are not fundamental enough to be permanent.

Everyone is born with lungs and a stomach. The Creator provided air for our lungs, and the right of everyone to air is recognized by our present man-made laws. The Creator provided

land by which from labor one can provide the food and shelter necessary for life. Our man-made laws do not recognize the equal right of everyone of us to land as they do to air. When our land laws fail to recognize the equal right of everyone to land, they fail to recognize one of the fundamental rights of all of us. Is not land just as much a free gift of the Creator to his children as air is? Less than one hundred years ago it was legal for one man to own another in the South, and we had a slave owner and the slaves. Our present land laws make a land-owning class and a non-owning class. Is it not a fact that the landowners in most of the world can take from a tenant from one-third to seven-eighths of what the tenant can raise from the land for the use of the land? Is it not true that in parts of the world the tenant is about as badly off as the slave was a thousand years ago?

Our man-made laws give everyone an equal right to the three-fourths of the surfaces of the earth covered by water. Is not the private ownership of part of the land surface of the earth as unreasonable as private property in the water surface of the earth? Everyone of my readers who lives in a fast-growing city knows of situations where someone has made enormous profits by the sale of land in a city where population was growing rapidly. It is clear that this rise in land value is due to the increase in the population in that part of the city where the increase occurs and, therefore, belongs to the population that produced it. In these cases the landowner gets something for nothing. Getting something for nothing is the essence of stealing, and making such stealing legal does not make it right. Slavery was just as wrong a hundred years ago when it was legal in the United States as it is now when it is illegal. If our land laws are to be just, they will have to recognize the nature of things. When a man uses his labor and capital to raise a crop, he really owns the crop, for he has created the wealth represented by the value of the crop. When land is sold the seller pretends to give the buyer the same sort of right to the land he sells as the farmer does to the crop he raises. The deeds to all lands originally came from the government. The government did not make the land; all it can do is give the buyer the privilege of exclusively occupying the land. Land is part of the surface of the earth; therefore, a part of the solar system. It is clear that the government cannot give the same sort of ownership to the land

it sells as the farmer gives to the crop he has raised. If our land laws are to correspond to the nature of things, we must recognize *the fact that everyone has the same natural right to land that they have to air*. And the fact that land has selling value indicates that something is wrong with our land laws. The Creator provided land free for his children, as he provided air free. Both air and land should be free of purchase price.

CHAPTER III

Is it possible to actually recognize the equal right of everyone to land in the community and still use land as private property

In the previous chapter I have shown that everyone has the same equal right to the land of the community. On the other hand, everyday experience teaches that if everyone recognized his right to land at any and all times, it would not be possible to raise crops. If a farmer is to raise a crop, he will have to have undisputed control of the land from which the crop is raised for at least a year. If a man wants to build a house, he has to have unrestricted control of the land upon which the house stands for the life of the house. Our land laws, making private property in land legal, give this undisputed control of land, which is necessary for this sort of use. The writer has attempted to prove that everyone has an equal right to the land of the community, and that everyday experience shows that land can be used to its best advantage only by using it as private property. Is it possible to reconcile these apparently divergent points of view?

If a person who wants to use a piece of land for a farm should purchase every year the rights of the other members of the community to the piece of land in question, would not the man who wants to farm the land be justified in monopolizing it for a year, and would not the rest of the community be paid for giving up their rights in this particular piece of land for a year? If it was understood that this yearly payment, or rent, could be continued for year after year, would not the man who wanted to build a house feel safe in building it with such a bargain with the community for the land on which the house stands? *Such an arrangement would practically assert the fact that everyone has an equal right*

to the land of the community, and still give the purchaser, or land renter, the right to use the land as private property.

If our land laws were changed to make possible such a rental as suggested, a difficult practical question would arise — what is a fair rental? If the rental is too low, the community is defrauded; if it is too high, no one could afford to rent land from the community. I think everyone would agree that the minimum rental would be the ground rent of the land in question. It is common knowledge that the community by its presence and activity creates this ground rent in the land of the community.

When one pays the ground rent to the community for the privilege of monopolizing a piece of land, it is paying only what the presence and activity of the community produced in the land he monopolizes. He pays nothing for the privilege of monopolizing land. It is likely that after our land laws allow the community to collect the ground rent it produces, experience will show that a higher payment for the privilege of monopolizing land will be found to be fair. If experience should show that one and a half times the ground rent is a fair price to pay for the privilege of monopolizing land, then the return to the community would be one and a half times the \$75 billion dollars a year indicated as the ground rent in another chapter in this book. A fair price for monopolizing land could only be arrived at by experience after our land laws are changed so as to allow the community to collect the ground rent it creates. *The great difficulty will be in educating people to see that the 4000-year-old practice of allowing the landowner to collect what clearly belongs to the community, is stealing.*

When I was a boy living in Illinois, I remember seeing nearly every day prairie schooners going West to Iowa to take up free land. That Iowa land which was free is now worth \$400 or \$500 an acre. The reason for this increase is the increase in the population in the United States. The land value of Manhattan Island has risen from practically nothing to many billions of dollars today, because of the increase of population on Manhattan Island and the rest of the United States.

Our land laws descend from the land laws of over four thousand years ago. So far as I can see, they are about the same as when Abraham moved from Ur of the Chaldees. Since our land

laws were established, slavery has become illegal, the notion of the divine right of kings has disappeared, the use of torture in a criminal trial has ceased. The idea that the best way to collect an overdue account was to put the debtor in prison has changed. But the ancient land laws that give the ground rent to the landowner instead of the community that created it, have not changed. The collection of ground rent by the landlord instead of by the community to which it belongs is plain stealing. The fact that it is legal makes it more difficult to change; therefore, the damage done by these ancient land laws will last much longer than if our land laws recognized the fact that ground rent belongs to the community that created it. The writer estimates this stealing at over \$75 billion a year in the United States. If this estimate is anywhere near correct the marvelous thing is that we are as well off as we are. It is because it has existed for thousands of years and we are so used to it that we do not appreciate the stealing that actually occurs. Legal stealing made possible by slavery was great, legal stealing made possible by our land laws is much greater and affects many more people. The society that existed after slavery was abolished was a better society than existed before slavery was abolished. The society that will exist after the stealing, made possible by our land laws, is abolished will be so much better that it will be hard to believe. Chapter V of Book 10 of Henry George's "Progress and Poverty" gives a picture of the society that will exist if our land laws recognized the actual relations that really exist.

CHAPTER IV

An estimate of the amount of stealing

It is generally admitted that there are three factors in the cost of producing wealth:

1. What has to be paid for the use of land. This is ground rent.
2. What has to be paid for labor, either of hand or brain. This is wages and salary.
3. What has to be paid for the use of capital. This is called interest, and includes more than what has to be paid to the bank for the use of the money. Interest in this sense is paid for the use of tools, houses and other forms of capital (or stored-up wealth). If we look at it a little closer, we will see that there are really only two factors in the cost of production:
 - (a) Cost of the natural factor, namely, of land; this is ground rent.
 - (b) The cost of the human factor, which includes wages and salary for active labor, and interest for the use of capital (which is stored-up labor).

For most of us, the cost of shelter and food are the largest items in our cost of living. House rent is most of the cost of shelter. House rent is made up of two items: ground rent paid for the use of the land on which the house stands, and interest on the capital used in building the house itself. Suppose the house and lot are worth \$12,500 when the house is new, and suppose the lot is worth \$2,500. Then, one-fifth of the rent is ground rent and four-fifths is interest. Houses depreciate about 5 per cent each year. At the end of ten years the house would be worth only \$5,000 instead of \$10,000. If the total rent remains the same,

one-third of the rental would be ground rent and two-thirds interest. In ten more years, the house would be worth nothing, and all the rent would be ground rent. To get an average, take New York City. In New York the total assessment of building and land is twenty billion dollars. Twelve billion is building value and eight billion is land value; therefore, in New York City 40 per cent of the rent is ground rent. The same ratio prevails over the country as a whole.

We do not have reliable figures as to how much of the cost of food is ground rent. Will it not be reasonable to assume that if 40 per cent of the cost of ordinary house rent is paid for the use of land, that about the same proportion of the cost of food will be ground rent?

Before wheat is eaten as part of a loaf of bread, the wheat has to be ground to flour by the miller. It has to be baked into bread by the baker. It has to be stored in the grocery for the final use of the consumer. The miller, baker and grocer all have plants that are located on land, and part of the cost of each operation is ground rent for the use of land. But the proportion of ground rent to the cost of labor is less in the case of the miller, baker and grocer than it is in the case of the farmer.

The cost of meat we eat is largely the ground rent for the land that raised the cattle, and the feed that the cattle eat. If we combined the labor in raising the cattle, packing house charges, freight from packing house to the butcher, and charges of the butcher in handling the meat, it would probably be less than the ground rent for the use of the land necessary to raise the cattle. If this is so, over half the cost of the meat we eat is ground rent.

Since 1914, the cost of Federal Government with two world wars, has been thirty or forty times what it was before. We have invaded Europe twice and our relations with Europe are, if anything, worse than before our invasions. Some of these days we are going to learn that enormous military expenditures are not the best way to have satisfactory foreign relations and our federal expense can be reduced to normal. Our expenditures for our forty-eight states government amount to eleven and a half billion dollars per year. The expenditures for education and hospitals, especially hospitals for the mentally ill, should be considerably increased.

If one parks a car in a parking lot, over half the charge is ground rent. If one buys a vacant lot, all the charge is ground rent capitalized. On the other hand, the cost of an automobile is mostly wages for labor, salaries for office workers, and interest to pay for the use of the very expensive machinery required. Probably less than 20 per cent of the cost of an automobile is ground rent.

The cost of ground rent in the clothes we wear is hard to determine. The cost of ground rent in the cost of cotton and wool, from which the clothes are made, is high; but the cost of ground rent in the mill weaving cloth, and of the tailor shop which makes a suit of clothes, is low.

The cost of gasoline is dependent on the cost of crude oil. The cost of crude oil is almost all ground rent. A large part of the income of Venezuela, Arabia, and Iran is ground rent from the production of crude oil in these countries.

Probably 25 per cent of the cost of natural gas is ground rent paid to the owner of the gas well and for the right-of-way of the thousands of miles of gas lines.

Since statistics of the cost of what we produce are not kept, the ratio of ground rent, wages and interest cannot be determined. When it is generally realized that the natural source of income for the government is ground rent, statistics will be kept so that fundamental information can be obtained from them.

Considering what has been shown in the foregoing, would it not be reasonable to put the cost of the natural element in production at not less than 25 per cent, leaving 75 per cent to divide between wages and salaries for the worker and interest for the capitalist?

It has been shown that 40 per cent of ordinary rent is ground rent. It has been indicated that probably as much as 40 per cent of what is paid for food is ground rent. It has been indicated that probably 20 or 25 per cent of the cost of clothes is ground rent. Is it not reasonable to conclude that at least 25 per cent of what it costs to live is ground rent?

In a recent issue of *Time Magazine*, it was stated that the total personal income of the people of the United States is three hundred billions of dollars a year. If that is so, and if the estimate

made above is reasonable, the total ground rent is 75 billion dollars per year for the people of the United States.

Ground rent appears in the cost of everything we buy. It might seem that the value of fish caught on the ocean will carry no ground rent. But fish are not eaten on the ocean. As soon as the fish get to land and are sold, part of the price is required to pay for the use of land for the port, part for the use of land for the canning plant, part for the use of the railroads that carry the fish to market, part for the ground rent of the land of the grocer who sells the fish to the final consumer.

The use of land is just as necessary to life as the use of air. When anyone buys land, the only cost is ground rent capitalized. It is the only kind of property that the writer can think of, the cost of which is not made up partly of wages for labor and interest for the use of machinery. We must realize that the cost of everything we buy is divided into the cost of the natural elements of production (the land) and the cost of the human element in production (labor and capital). Ground rent pays for the use of the natural element in production. Wages and interest together pay for the human element in production. When we consider the fact that an estimated 25 per cent of what it costs to live is required to pay for the use of land, leaving 75 per cent to pay for wages and interest, the estimate of 25 per cent, if anything, looks low rather than high.

Some day we will recognize natural relations and will change our land laws to allow the community to collect the ground rent it produces. When this happens, land will be free of purchase price and easy to acquire. Everyone will tend to become a landowner. The demand for land will be much greater than it is now. Ground rent will go up because many more will be demanding it. If 25 per cent is a reasonable estimate for the present amount of ground rent, it is reasonable to expect that ground rent will increase 10 to 20 per cent when ground rent is collected for community expenses. If 75 billion dollars is a fair estimate of ground rent at the present time, ninety billion dollars would be a fair estimate after the community collects the ground rent that belongs to it.

This sum is ample to support a reasonable government in all of its activities. Anyone who tries to find out how much is spent for ground rent will come to the conclusion that the amount is

a vast sum, whether he agrees with the foregoing calculations or not. This writer believes that the Creator is intelligent as well as Beneficent, that the ground rent provided by the Creator for the expenses of the government will be found to be ample for such purpose. Our land laws prevent the community from collecting this natural source of revenue, and therefore compel the government to collect from its citizens taxes on wealth to which the government has no natural or moral right. *Our land laws enable landowners to appropriate what belongs to the community, thereby compelling the government to appropriate what belongs to its individual citizens.* When this double misappropriation of wealth is corrected, as it would be if the community collected its natural source of revenue, the effect on distribution of wealth would be enormous.

Ground rent is the national source of revenue for the community. The community has no right to levy taxes on the wealth of its citizens, unless it can be clearly shown that the natural source of revenue is not great enough to pay ordinary government expenses.

Our land laws prevent the community from collecting ground rent for community expenses, but the laws give this vast sum to landowners who do nothing to produce it. If my calculations are correct, our man-made land laws compel our land-users to pay 75 billions of dollars per year to landowners who do nothing to produce it. The surprising thing is that we are as well off as we are, considering the vast stealing our land laws make possible.

CHAPTER V

The effect of legal stealing on the community as a whole

It was shown in a previous chapter that everyone has an equal right to land, air and sunshine provided by the Creator for everyone. It was further shown that this land could be used to best advantage if it were treated as private property as at present. It is clear that no one can fairly monopolize land for as much as a year or a lifetime without paying the rest of mankind for giving up their rights to the land that is monopolized. Is it not clear that the yearly payments to the community by those who monopolize land would constitute a natural source of revenue for the community and should be used to pay for the expenses of government? The minimum payment that can be fairly made by those who monopolize land is the ground rent of the land they monopolize.

This yearly ground rent by our present man-made land laws is given to the landowner and when capitalized is the selling value of the land. To put it another way, our land laws take the fund which should be paid to the community by the landholder for the privilege of monopolizing land and give it to the landholders who capitalize it into land value.

For thousands of years, governments have provided roads for the movement of persons and goods. Suppose the government collected toll from all these roads? Suppose, further, that the government instead of using these tolls for part or all the cost of government, should allow the toll collectors the privilege of keeping these tolls for themselves.

The privilege of collecting the tolls from any particular mile of road would be valuable. The privilege of collecting the tolls on a mile of road with heavy traffic would be worth more than one with light traffic. This privilege of collecting the tolls from

any particular mile of road would be property which could be bought and sold. The privilege of collecting the tolls from a few miles of very heavy traffic would be worth millions of dollars.

The community provides many valuable services to the landowner. If the landowner is a farmer, the community provides him with roads, usually free of toll charges. It provides him with free schooling for his children. It provides free transportation for his children, to and from school. It provides him with expert advice on the best seed to plant. It tells him the best way to get rid of insect pests. It provides him with more or less accurate weather forecasting. It is beginning to tell the farmer how to control hail and rain. It provides mail service, which is worth many times its cost. It provides protection from cattle rustling. In short, it provides the civilization to which he is accustomed. Important as these things are, the community provides the farmer with something of even greater importance. The community provides a market for the food the farmer produces. Vast as this market is, it is reasonable to expect a market twice as great in fifty years, as the population increases.

If the landowner lives in the city, the community provides him with even greater service than it does the farmer. To the landowner who lives in the city, the community provides water for a small fraction of what it would cost to provide it himself. It provides sewage, which in most cases, he could not provide for himself. It provides theatres, churches, libraries, museums and baseball parks. The city provides the best restaurants, the best music, the best preachers, the best sports and the best theatres. What the community provides is the reason why an increasing number of people live in cities.

Experience shows that most manufacturing and business are done in cities. When the city community attracts manufacturing and business for the city landowner, it is of great importance for him. The manufacturer has to go to the city landowner for a site for his factory. The employees of the manufacturer and all his salaried help have to go to the city landowner for land on which to build their houses. The businessman has to go to the city landowner to provide a place to put up an office building. The grocer has to go to the city landowner to find a place for his supermarket. The services rendered by the community to the

city landowner — or, to put it another way — the benefits rendered by the city community to the city landowner are of controlling importance.

These services or benefits are measured by the yearly ground rent people are willing to pay for the use of any particular piece of land. When a landowner is allowed to collect this ground rent for himself, as he is by our present man-made laws, the benefits are measured by ground rent capitalized, or by the selling value of the land.

It is easy for us to see that tolls on toll roads should be collected by the government, because we are accustomed to this practice. If we think about it, it is just as clear that payment for the services rendered or the benefits provided by the community for the landowner should be collected by the community. Is it not clear that the community is defrauded when anyone else gets ground rent the community produces on the piece of land, just as much as the government would be defrauded when a toll collector pocketed the tolls instead of turning them over to the government?

I have calculated that the average person has to pay about 25 per cent of what he earns as ground rent for the use of land. If this calculation is correct, this would amount to 75 billion dollars a year in the United States. The landowners are a minority of the population, and they collect from the majority 75 billions of dollars a year that belongs to the population as a whole, and to which the landowner has no moral right. Worse yet, when land values rise, it pays the landowner to keep land out of use, waiting for higher prices. The millions of vacant lots in our cities and towns are evidence that large quantities of land are held out of use. When land is held out of use, the number of jobs is decreased; therefore, if all land were held out of use, all production of wealth would stop. There would be no jobs and we would all starve!

At present enough land is held out of use so that there are more workers than there are jobs, so that the employer can pay as little as the worker will take. The fact that there are more workers than jobs at the present time tends to push down wages, and compels workers to form unions and wage mild civil wars in order to get decent wages. As long as there are more workers

than jobs, there is a tendency for the capitalist to take more than his fair share, leaving less than a fair share for wages. This condition will exist as long as our land laws make it profitable to hold land out of use.

In 1879, Henry George did a remarkable piece of research to find out why society was afflicted with unemployment and poverty. After 400 pages of investigation he presented his conclusion that the trouble was that man-made laws did not recognize the fact that land, like air and sunshine, are gifts of the Creator to his children and that land is, by its nature, common property. Henry George proposed to correct the situation which exists at present by placing a tax on land values for community expenses and abolishing all taxation on wealth. He and his followers gave the program the name of "Single Tax".

"Progress and Poverty", by Henry George, is one of the most remarkable books ever written. It proposed a program to free the world of unemployment, poverty and depressions. The value of the book is not generally appreciated, because many who read the book do not get the message. There are only a few places in the book where George uses italics. After 400 pages of argument, which most people cannot follow, he states his conclusion. In order to do away with poverty and unemployment, he states in italics, "We must make land common property", and then proposes to place all taxes on land value and abolish the taxation of wealth.

As this writer sees it, what he should have said was, "We must realize that land, like air and sunshine, is common property, and act accordingly." We must realize that ground rent belongs to the community because the community created it, and allow the community to collect it for governmental expenses instead of giving it to landowners who, as landowners, do nothing to produce it. If this were done, there would be no land values to tax and it would be easy to see the justice of the proposition. Many people who read "Progress and Poverty" do not think it is fair to levy all taxes on one kind of property; but who can say that it is unfair for the community to collect what it produces?

Who can defend the present land laws, which give ground rent belonging to the community to the landowners who, as landowners, do nothing to produce it? If George had made it plain that ground rent belongs to the community because the community created it,

if George had advocated that ground rent is the natural source of revenue instead of taxes, if George had emphasized the fact that if the community collected ground rent and it was used for the cost of government it would be possible to abolish the taxation of wealth, his proposals would have had much greater public acceptance than they have had.

Because of the fact that, since the dawn of history, our man-made laws give ground rent to the landowner instead of to the community, it is the general assumption over the world as a whole that ground rent must belong to the landowners.

All anyone can say in defense of the present land laws giving ground rent to the landowner is that this has been going on for thousands of years and that it will be quite inconvenient and expensive for some people to make a change. It is true that it may be wise to make this change gradually, as is being done in Denmark and Australia. But it is better to have the inconvenience and loss to some individuals than to continue to defraud the government of its natural source of revenue and take from the pockets of workers 75 billion dollars a year and give it to people who have no natural and moral right to it.

Henry George and his followers proposed to levy all taxes on land values. Many who read his book thought it unreasonable and unfair to levy all taxes on one form of property and, therefore, refused to agree to a program to collect ground rent for government expenses and to abolish all taxation of wealth. They did not realize the fact that land values, like slave values, are the result of unjust man-made laws. Land values appear as natural to us as slave values appeared to the people of the United States a hundred years ago. We have recognized the injustice of laws which made slave value possible. We have yet to recognize the injustice of laws which make land values possible.

As this writer sees it, society is suffering from man-made laws that create unnatural property. Some man-made laws make legal what is unnatural and morally wrong. The effect of such laws is to enable the minority to appropriate wealth produced by the majority. Up to less than one hundred years ago, slave value in the southern United States seemed as natural as wealth value.

For thousands of years, man-made law has permitted landowners to collect ground rent. Ground rent is capitalized land

value. Our man-made laws do not recognize the fact that the community has natural rights and that one of these rights is to collect the ground rent the community creates by its presence and activity. Once our land laws recognize the natural right of the community to collect ground rent for community expenses, land values will disappear.

At present, to many people land value seems as natural as wealth value. When Henry George proposed to collect ground rent for community expenses and to abolish the taxation of wealth, most people thought it unfair to tax land value any more than any other kind of property. They did not realize the fact that land value is the result of laws that create unnatural property. As stated heretofore, land value is caused by the man-made law creating unnatural property by allowing a landowner to collect ground rent which naturally belongs to the community.

This injustice has killed many civilizations in the past, and it will kill ours unless it is cured. It can be cured only by removing its cause: that is, by allowing the community to collect the ground rent that belongs to it. Non-Georgists do not realize that land value, like slave value, is artificial and not natural, and it is the result of making legal something that is wrong from a moral standpoint.

When Georgists urge the taxation of land values, they forget that if the community collected the ground rent it produced there would be no land values left to tax.

George's 400-page argument is difficult to follow, and many people who read *Progress and Poverty* are not convinced that justice requires that the community collect ground rent for the community expenses and abolish all taxation of wealth. When the natural rights of the community are considered, as we have tried to do above, it is immediately evident that justice and natural law require that the ground rent be collected by the community. Land values are evidence that natural law is being violated.

Is it not clear that what a man produces by the application of his labor and capital to land is his, and no one, not even the government, has any right to it; and is it not equally clear that ground rent belongs to the community, because the community created it, and no one else, not even the landowner, has any right to it?

The fact that the government at the present time takes part

of the ground rent from the landowner by taxes on the value of his land, simply demonstrates that the government has taken only part of the ground rent the landowner has taken from the community. If the government had taken all the ground rent, there would be no ground rent left for the landowner to capitalize and, therefore, no selling value of the land.

The analogy between collecting tolls on roads and collecting community-created ground rent is not perfect, but it is clear that the ground rent produced by the presence and activity of the community belongs to the community just as much as the tolls on a road provided by the community belong to the community.

It is clear that tolls on a toll road belong to the government as representing the community that furnishes the roads. If the collector pocketed the tolls, that would be stealing. It would be stealing even if our man-made laws make it legal to keep the tolls they collected. Slavery was wrong. Slavery in the South was just as wrong a hundred years ago, when it was legal, as it is now.

Natural law declares that what a man produces on his land is his because he produced it. It is stealing for someone else to take it. It is stealing for a master to take what the slave produces even if our man-made laws declare that it is legal. It is stealing even if the master has been taking what the slave produces for thousands of years so that everyone is used to the practice, and regards it as natural. The damage to the slaves is the natural result of making something legal that from the nature of things is wrong.

Our present man-made laws make the landowner the collector of ground rent. They also allow the landowner to keep what he collects. Are not laws that allow the landowner to keep the ground rent he collects just as unreasonable and wrong as laws which would allow the collector of tolls on toll roads to keep what he collects?

It is hard to imagine how stealing could be more barefaced and obvious than this. The result of this stealing is that the community is deprived of its natural source of revenue and it has to levy taxes on the wealth of its citizens to pay for government expenses. It is clear that the community has no right to levy taxes on the wealth of its citizens when it has a natural source of revenue of its own.

It is clear that the community has no right to levy taxes on

the wealth of its citizens until it can be clearly shown that its natural source of revenue is not sufficient to support the government. As long as the community has a natural source of revenue, the government is stealing from its citizens when it levies taxes on them. Land laws that permit landowners to steal 75 billion dollars a year from the community make it necessary for the community to steal 75 billion dollars a year in taxes on the wealth of its citizens. The surprising thing is that we are as well off as we are with this enormous double stealing being part of the law of the land.

If our land laws were changed so that the community collected for the community the ground rent that belongs to it, instead of giving it to the class which should pay it, the selling value of the land would disappear as the selling value of slaves disappeared after the Emancipation Proclamation of 1862. With the land free of purchase price but with the yearly payment to the community for the privilege of monopolizing land continuing, it would not pay to hold land out of use. All land would be used to its best advantage, thereby making more jobs than workers. Therefore, we would have continued employment at good wages, without taxes.

Is it not clear that this is the society we would have if we stopped the stealing which our land laws make legal? Is it not clear that this is the society the Creator had in mind when he made the world?



CONCLUSION

Our land and tax laws will have to be changed so as to recognize controlling facts not recognized at present if we are to stop the gigantic legal stealing they are responsible for at present.

Fact No. 1

Everyone has an equal right to the land of the community or the nation into which they are born. Most of us would agree that everyone has an equal right to the air, land and sunshine of the world into which they come. This fundamental natural right is not recognized by our present man-made laws.

Fact No. 2

It is clear from everyday experience that land is best used if it is monopolized. Land can be fairly monopolized only as the rights of other members of the community are recognized. This can only be done with a yearly payment by the land monopolizer into the Treasury of the community for the privilege of monopolizing the land he holds. The right of the community to a fair payment from a land holder to the community for the privilege of monopolizing is not recognized by present land laws.

A practical question arises—what is a fair payment to the community for the privilege of monopolizing land? We have not had experience with fair land laws so as to be able to answer this question. We can be sure that it is not less than the ground rent on the land that is monopolized. The present activities of the community create a yearly ground rent in the land that is monopolized that clearly belongs to the community that created it. Our present land laws steal by making it legal for the landholder to refuse to

pay this yearly ground rent to the community. Our present land laws make it legal for the landholder to capitalize this stolen ground rent into land value. This land value is high enough to prevent most of us from calling any piece of land our own.

Fact No. 3

When our land laws make it legal for the landholder to refuse to pay to the community the yearly ground rent the community creates in the land he monopolizes, it deprives the community of its natural source of revenue.

In a previous chapter, I have estimated this yearly ground rent as being over 75 billion dollars a year in the United States. When our land laws deprive the community of its natural source of revenue, it makes it necessary for the community to steal from its citizens by a yearly tax on their wealth to supply funds for the support of the government. A considerable part of our taxes are excise and sales taxes that raise the price of what is bought to rich and poor alike. An 8c tax on gasoline in Arizona costs the poor Indian the same per gallon as it does the rich man. The government has no moral right to levy taxes on its citizens when it has a natural source of revenue of its own. If our land laws allowed the community to collect its natural source of revenue, these taxes could and would be abolished.

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