

Land Values and Wages

By JOHN C. LINCOLN

[Mr. Lincoln, President of the Henry George School, is interested in presenting the principles of Henry George to working men and unions in a way that they will understand. He believes that labor should be taught the right method for raising wages instead of the present erroneous method of striking against capital. To that end he has prepared the following statement and would like to have comments from readers of The Henry George News.]

LAND VALUES are produced by population; by the presence and activity of the community. They arise because the community produces yearly ground rent.

The community collects part of community-created ground rent as a yearly tax on land values, but most of this goes to the landowner. That part of community-created ground rent collected by the landowner, capitalized, is the selling value of land.

The slave owner, as such, did not produce anything. People wanted to be slave-owners because our man-made laws gave the slave-owner the privilege of appropriating what the slave produced. The landowner, as such, does not produce anything. People want to become landowners because our man-made laws give them the privilege of collecting most of the community ground rent on a particular piece of land.

When the slave owner became a skillful slave manager, he increased production. When the landowner becomes a skillful land-user, he increases production.

The amount of community-created ground rent collected by landowners from land-users is many billions of dollars a year. For instance, all of what a saw-mill in the northwest pays for

timber is ground rent collected by the landowner. Most of what a landowner gets, on whose land there is a producing oil well, is community-created ground rent. When the pressure of population pushes the price of agricultural land to \$200 or \$300 an acre, the tenant farmer has to pay up to one-half of what he produces to pay for the land. When you realize that land on which the skyscrapers of New York and Chicago are built is worth as much as the buildings erected on it, it is not unreasonable to estimate the ground rent collected by landowners at from fifty to one hundred billions of dollars a year.

It is evident that when the high price of land enables the landowner to collect half his crop from the tenant farmer, the tenant farmer's wages are cut in two. If landowners collect from fifty to one hundred billion dollars a year that they do nothing to produce, the rest of the community has to produce from fifty to one hundred billion dollars a year for which they get nothing.

The community pays this fifty to one hundred billion dollars a year in lower wages, high prices and taxes on wealth.

The essence of stealing is getting something for nothing. From a moral standpoint, our man-made laws which permit landowners to collect from fifty to one hundred billion dollars a year, for which they render no service, permits stealing on a gigantic scale. We live in a world in which moral laws are enforced. The penalty inflicted by the moral law for the gigantic stealing which our man-made laws permit, is unemployment, poverty, depressions and war.