

Winston S. Churchill on Land Monopoly

Speech made to the House of Commons on May 4, 1909.

Land monopoly is not the only monopoly, but it is by far the greatest of monopolies - it is a perpetual monopoly, and it is the mother of all other forms of monopoly.

Unearned increments in land are not the only form of unearned or undeserved profit, but they are the principal form of unearned increment, and they are derived from processes, which are not merely not beneficial, but positively detrimental to the general public.

Land, which is a necessity of human existence, which is the original source of all wealth, which is strictly limited in extent, which is fixed in geographical position -- land, I say, differs from all other forms of property, and the immemorial customs of nearly every modern state have placed the tenure, transfer, and obligations of land in a wholly different category from other classes of property.

Nothing is more amusing than to watch the efforts of land monopolists to claim that other forms of property and increment are similar in all respects to land and the unearned increment on land.

They talk of the increased profits of a doctor or lawyer from the growth of population in the town in which they live. They talk of the profits of a railway, from the growing wealth and activity in the districts through which it runs. They talk of the profits from a rise in stocks and even the profits derived from the sale of works of art.

But see how misleading and false all those analogies are. The windfalls from the sale of a picture -- a Van Dyke or a Holbein -- may be very considerable. But pictures do not get in anybody's way. They do not lay a toll on anybody's labour; they do not touch enterprise and production; they do not affect the creative processes on which the material well-being of millions depends.

If a rise in stocks confers profits on the fortunate holders far beyond what they expected or indeed deserved, nevertheless that profit was not reaped by withholding from the community the land which it needs; on the contrary, it was reaped by supplying industry with the capital without which it could not be carried on.

If a railway makes greater profits it is usually because it carries more goods and more passengers.

If a doctor or a lawyer enjoys a better practice, it is because the doctor attends more patients and more exacting patients, and because the lawyer pleads more suits in the courts and more important suits. At every stage the doctor or the lawyer is giving service in return for his fees.

Fancy comparing these healthy processes with the enrichment which comes to the landlord who happens to own a plot of land on the outskirts of a great city, who watches the busy

population around him making the city larger, richer, more convenient, more famous every day, and all the while sits still and does nothing.

Roads are made, streets are made, services are improved, electric light turns night into day, water is brought from reservoirs a hundred miles off in the mountains -- and all the while the landlord sits still. Every one of those improvements is effected by the labour and cost of other people and the taxpayers. To not one of those improvements does the land monopolist, as a land monopolist, contribute, and yet by every one of them the value of his land is enhanced. He renders no service to the community, he contributes nothing to the general welfare, he contributes nothing to the process from which his own enrichment is derived.

While the land is what is called "ripening" for the unearned increment of its owner, the merchant going to his office and the artisan going to his work must detour or pay a fare to avoid it. The people lose their chance of using the land, the city and state lose the taxes which would have accrued if the natural development had taken place, and all the while the land monopolist only has to sit still and watch complacently his property multiplying in value, sometimes many fold, without either effort or contribution on his part!

But let us follow this process a little further. The population of the city grows and grows, the congestion in the poorer quarters becomes acute, rents rise and thousands of families are crowded into tenements. At last the land becomes ripe for sale -- that means that the price is too tempting to be resisted any longer. And then, and not until then, it is sold by the yard or by the inch at 10 times, or 20 times, or even 50 times its agricultural value.

The greater the population around the land, the greater the injury the public has sustained by its protracted denial. And, the more inconvenience caused to everybody; the more serious the loss in economic strength and activity - the larger will be the profit of the landlord when the sale is finally accomplished. In fact, you may say that the unearned increment on the land is reaped by the land monopolist in exact proportion, not to the service, but to the disservice done. It is monopoly which is the keynote, and where monopoly prevails, the greater the injury to society the greater the reward to the monopolist. This evil process strikes at every form of industrial activity. The municipality, wishing for broader streets, better houses, more healthy, decent, scientifically planned towns, is made to pay more to get them in proportion as it has exerted itself to make past improvements. The more it has improved the town, the more it will have to pay for any land it may now wish to acquire for further improvements.

The manufacturer proposing to start a new industry, proposing to erect a great factory offering employment to thousands of hands, is made to pay such a price for his land that the purchase price hangs around the neck of his whole business, hampering his competitive power in every market, clogging him far more than any foreign tariff in his export competition, and the land price strikes down through the profits of the manufacturer on to the wages of the worker.

No matter where you look or what examples you select, you will see every form of enterprise, every step in material progress, is only undertaken after the land monopolist has skimmed the cream for himself, and everywhere today the man or the public body that wishes to put land to its highest use is forced to pay a preliminary fine in land values to the man who is putting it to an inferior one, and in some cases to no use at all. All comes back to

land value, and its owner is able to levy toll upon all other forms of wealth and every form of industry. A portion, in some cases the whole, of every benefit, which is laboriously acquired by the community increases the land value and finds its way automatically into the landlord's pocket. If there is a rise in wages, rents are able to move forward, because the workers can afford to pay a little more. If the opening of a new railway or new tramway, or the institution of improved services or a lowering of fares, or of a new invention, or any other public convenience affords a benefit to workers in any particular district, it becomes easier for them to live, and therefore the ground landlord is able to charge them more for the privilege of living there.

Some years ago in London there was a toll bar on a bridge across the Thames, and all the working people who lived on the south side of the river had to pay a daily toll of one penny for going and returning from their work. The spectacle of these poor people thus mulcted of so large a proportion of their earnings offended the public conscience, and agitation was set on foot, municipal authorities were roused, and at the cost of the taxpayers, the bridge was freed and the toll removed. All those people who used the bridge were saved sixpence a week, but within a very short time rents on the south side of the river were found to have risen about sixpence a week, or the amount of the toll which had been remitted!

And a friend of mine was telling me the other day that, in the parish of Southwark, about 350 pounds a year was given away in doles of bread by charitable people in connection with one of the churches. As a consequence of this charity, the competition for small houses and single-room tenements is so great that rents are considerably higher in the parish!

All goes back to the land, and the landowner is able to absorb to himself a share of almost every public and every private benefit, however important or however pitiful those benefits may be.

I hope you will understand that, when I speak of the land monopolist, I am dealing more with the process than with the individual landowner who, in most cases, is a worthy person utterly unconscious of the character of the methods by which he is enriched. I have no wish to hold any class up to public disapprobation. I do not think that the man who makes money by unearned increment in land is morally worse than anyone else who gathers his profit where he finds it in this hard world under the law and according to common usage. It is not the individual I attack; it is the system. It is not the man who is bad; it is the law which is bad. It is not the man who is blameworthy for doing what the law allows and what other men do; it is the State which would be blameworthy if it were not to endeavour to reform the law and correct the practice.

We do not want to punish the landlord.

We want to alter the law.