

DEBATE ON MONOPOLIES

SOCIALIST AND TORY REVERSE TRADITIONAL ROLES

Legislation introduced in 1948 by the Labour administration requires the President of the Board of Trade to "refer" for investigation by the Monopolies Commission industries suspected of acting contrary to the public interest. On the basis of the Commission's findings the Minister is free to legislate, or take other action. A major defect of this legislation is that since only a limited number of industries can come under review at any one time, the majority of protected manufacturers are left free to restrict production, enhance prices, debar new entrants to their sphere of production, and to engage in those other harmful pursuits which are the hallmark of monopoly.

This well-mannered method of monopoly "busting" has been most agreeable to the Conservative government which has administered the Labour Act since late 1951. A little unfairly, Mr. Harold Wilson, former President and author of the 1948 legislation, censured the Government for its leisurely attitude in a debate on Monopolies, February 24, and called on it "to take all possible measures, by legislation and other means, to protect the public interest against the misuse of monopoly powers." The five words we have italicised are significant. As if to underline them, Mr. Wilson reminded the House of his words when introducing his Bill in 1948. Then he had said: "A monopoly is neither good nor bad in itself, but it has the power to be good or bad." The dictum is convenient for diverting attention from nationalised industries and "closed shop" trade unions.

The general case against monopoly was competently stated by Mr. Wilson and he supplemented his remarks with interesting instances of the extent and nature of monopoly practices in this country. Emphatically he asserted that had the Labour Party remained in power, the main types of restrictive practice would have been made illegal long ago.

Interrupting his tirade against the wickedness of monopoly in principle and the inertia of the government, Mr. Wilson took up cudgels on behalf of the monopolistic calico printing industry, and offered his sympathetic support to Mr. Peter Thorneycroft, President of the Board of Trade. (The calico printing industry had been referred to the Monopolies Commission in April, 1951, and its report had been in the hands of the government for fifteen months. It recommended the ending of the compulsory minimum price arrangements, of the "percentage quantum" scheme, of fixing compulsory uniform terms and conditions of trade, a compulsory rental for the use of certain new designs, and of arrangements to limit the capacity available for calico printing.) Mr. Wilson said that the President had had a very difficult task in connection with this report; he had no wish to make his position any more difficult. "There is now in Lancashire a desire—which we can condemn if we like—for some degree of protection or safeguard against a return to the conditions of the 1920s and 1930s. That is the reason for these price-fixing agreements. My own feeling would be to allow the agreements to continue, but to ensure that they are subject to Board of Trade approval. This applies not only to calico printing, but also to the yarn spinners' scheme."

Contemptuously Mr. Thorneycroft spurned these suggestions, remarking that Socialist policy was to strengthen the Commission, to act in advance of its recommendations,

and to ignore any unpopular or difficult report which it might issue. The Government accepted the conclusions of the Monopolies Commission that in the calico printing industry practices operated, and might be expected to operate, against the public interest, and it was in general agreement with the Commission's recommendations.

Restrictive practices, said Mr. Thorneycroft, had been deeply woven into the British industrial system over a very long period. In the main they were devised by employers out of fear of the full vigour of competition, and by workers from fear of working a man out of a job. (Interjecting, Mr. Ellis Smith, Labour Member for Stoke-on-Trent South, asserted that there were no such practices in the trade unions!) Were restrictive practices "really as necessary in the fifties as they were in the thirties?" Mr. Thorneycroft believed that an increasing body of enlightened industrial opinion, and certainly of public opinion, was beginning to give a fairly forthright answer to such questions.

Economic monopoly and restrictive practices are the fruit of a plant deeply rooted in land monopoly and sheltered from the breeze of competition in a hothouse of tariff and other discriminatory legislation. The swift, radical commonsense solution to the so-called "problem" of monopoly is to strike at its very roots by restoring equal rights to land and to dismantle the rickety structure of privilege behind which it shelters and proliferates. Since nothing less will avail it is pardonable to suspect the sincerity of those who advocate a timorous, piecemeal approach to the matter.

MAU MAU IN KENYA

Victor Saldji's article MAU MAU IS VIOLENCE OF DESPAIR (L. & L., December, 1954) has brought a critical letter from Mr. John B. Llewellyn, Milford-on-Sea. Extracts, and a reply, are printed below.

When I read Mr. Saldji's statement that there can be no hope of solving Kenya's many problems until the prevailing ignorance regarding the background to the present tragedy is cleared away, and that the present violence is one of despair, I venture to say that his own lack of analysis of the Kikuyu background is at fault, if, as he seems to infer, the whole trouble is due to the "Whiteman" taking the native's land.

To start with, the Kikuyu menfolk never did any work in the reserves to any appreciable extent. Prior to the arrival of the "Whiteman," the men did the fighting to defend the tribe against attacks from marauding tribes or to attack other tribes to secure more womenfolk or other plunder. The women and children did all the cultivation and farm work, and still do, as far as I know. At any rate they did before and during the first world war.

The individual's main incentive to find employment was to have his wages (his employer fed and housed him generally) in order to buy livestock which was and still is, as far as I know, the currency used for the purchase of a wife, and it rather depended how many wives he wanted as to his keenness to continue earning money by working. Land alienation, however unfounded, was a good-enough pretext to hoodwink the simple Kikuyu into starting trouble.

All my labour, in the days when I lived there, were Kikuyus, and I liked them, some of them—very much, and I am very sorry for them because many quite innocent ones will suffer, but the idea that because Europeans