

The land upon which the civic buildings stand was purchased from the Marquess of Bute for about £1,000 per acre, but when the Corporation sought to purchase land near by (on the corner of Kingsway and Priory Street), for the erection of a public hall, they were told that the price would be something like £36,000 for about an acre of land which was then being used as a car park and rated at £66.

The Exchange building in Mountstuart Square cost £150,000. The site was previously an open space with a fountain in the centre and as such was not assessed for rates. The building was rated at £6,000 when occupied and the ground rent charged was £900 a year. To quote the *Bradford Daily Telegraph*: "The plain fact is that the man who owns a valuable plot of land pays little or nothing towards the expenses of the town in which his land is situated, but if another and more enterprising man purchases it and commences to make good use of it to the advantage of the community he is taxed almost from the moment when the first brick is laid upon it."

Public Works and Shipyards

Instances of the abandonment of public works schemes on account of high land values are fairly common. In the case of private enterprise the facts do not usually become public. The business man does not advertise the fact that he has made a bid for a site which has been refused but if one sees "To Let" or "For Sale" notice boards standing for a long time one may conclude that many offers have been turned down because the owner is standing out for a high price.

At one time, Sir Mark Palmer made inquiries concerning a 50 acre site for a shipbuilding yard in Cardiff. The annual rent demanded was as much as the freehold was worth. The shipbuilding yard was not constructed.

The Cost of Parks

The Minutes of the Parks Sub-Committee of 1st and 22nd December, 1932, tell the story of the Marl. For a stretch of land of about 70 acres the City had been paying a rent of £10 a year, using it as a dump for refuse. Much of the area was covered by water at high tide. It was proposed to purchase the land, reclaim it and convert it into a recreation ground. Negotiations ended in the acquisition of 44½ acres, the Plymouth Estates Ltd., who were the owners, receiving £2,500. But that was not all. The City had to pay all solicitor's fees and surveyors' costs in connection with the conveyance of the land and undertake within ten years to fill in an area of approximately 2 acres fronting Ferry Road for the full building depth up to the level of Ferry Road free of charge to the estate.

Two-sided Generosity

In other words, the City had not only to pay £2,500 for part of the area that had been rented for £10, but also to hand over to the estate the land value of the adjoining frontage brought about through the improvement that the Council had effected. The expenditure required to turn water-logged land into a recreation ground and create a building value on the other side of its fence is not stated. It reminds one

of what happened in the case of Roath Park, marshy ground being converted into the boating lake and gardens at the expense of the City. In that case the land was given by the owner. Generous as he was, the City was still more generous to him, because the improvements in the park raised the value of land all round—for the benefit of the landowner.

Municipal Agitation

Since Cardiff led the demand in 1919 the following 47 Welsh Local Authorities have passed resolutions calling for the Rating of Land Values: Aberystwyth, Anglesey County Council, Beaumaris, Caernarvon County Council, Cardigan County Council, Conway, Denbigh, Glamorgan County Council, Llanelly, Merthyr Tydfil, Monmouthshire County Council, Newport (Mon.), Pembroke, Pembrokeshire County Council, Port Talbot, Rhondda, Swansea; Urban District Councils—of Abercarn, Abertillery, Barry, Bedwas and Machen, Blaenavon, Connah's Quay, Cwmbran, Ebbw Vale, Festiniog, Gelligaer, Glyn-corrwg, Llandilo, Lluchwr, Maesteg, Milford Haven, Mountain Ash, Neath, Neyland, Prestatyn, Risca, Tredegar; and the Rural District Councils of Cowbridge Colwyn, Dolgelly, Edeyrnion, Llanelly, Llantrisant and Llantwit Fardre, Ogwen, Pontardawe and St. Asaph.

THE POPULARITY OF MONOPOLY

THE *News Chronicle* of 17th May published a brief article by the City Editor, Mr O. R. Hobson, which brought common sense to bear with an almost indecent frankness upon such popular notions as the alleged benefits of standardizing prices and of eliminating competition described as "wasteful" by those who never explain the principle which distinguishes wasteful competition from other competition or how public interests are injured. Mr Hobson not only condemned monopolies in general but had the temerity to declare that even public monopolies were objectionable.

"Where monopolies or semi-monopolies are known to exist," he continued, "the first line of attack on them should be the withdrawal of any form of legal protection, tariffs, patent rights or similar privileges, under the shelter of which the monopoly has grown up. And the second line of attack should be to insist on much fuller disclosure of company profits and accounts generally, so that monopoly profits cannot be made without the fact being publicly known, when the normal correctives of free enterprise would automatically come into operation. These processes would probably result in drastic weeding out of existing monopolies."

THE APPARENT SUCCESS OF MONOPOLY

One's admiration for the boldness of publishing, in a popular newspaper, an attack on a popular opinion is tempered with regret that the methods recommended seem so unlikely to be adopted or to command success. The writer does not state whence the initial impulse is to come, whether from Parliament, the present organs of publicity or from the mass of general public. As the big monopolies are strongly suspected of contributing

The Key to Post-War Reconstruction

The Welsh League for the Taxation of Land Values recently submitted a Memorandum, in which the arguments for the rating of land values were set out, to the Welsh Advisory Council for Post-War Reconstruction. The Advisory Council will be carrying out the wishes of the majority of the public authorities as well as of the people of Wales if they recommend the Government to deal with this matter without delay in preparation for post-war reconstruction.

As things are, unearned fortunes will be made at the expense of the community at the end of this war.

IMMEDIATE STEPS MUST BE TAKEN TO PROVIDE FOR THE RATING OF LAND VALUES WITH CORRESPONDING REMISSION OF RATES ON HOUSES AND OTHER BUILDINGS AND IMPROVEMENTS! SECURE FOR PUBLIC REVENUE A PUBLIC FUND THAT RIGHTFULLY BELONGS TO THE PUBLIC! GIVE EVERY INCENTIVE AND ENCOURAGEMENT TO PRODUCTIVE ENTERPRISE BY ENCOURAGING EVERYWHERE THE BEST USE OF LAND!

(By C. A. Gardner, Hon. Treasurer of the Welsh League for the Taxation of Land Values.)

heavily to party funds, and are certainly the principal advertisers in newspapers, the impulse is not likely to come from either of the two first named. There remains the general public (including many thousands of employees of these monopolies), who, according to Mr Hobson, need only to be shown more clearly how the monopolies can gain to be inspired with an irresistible fervour for free competition. This temper in the general public is surely against common experience. All evidence suggests that the prevailing economic opinions of the masses are all towards any measure which appears to promise immediate security. Mere publication of the success of monopoly is more likely to inspire a public demand for a share of the spoil—for which some economic publicists would not be very long in coining a soothing euphemism—than for abolishing any privileges. Such an extension of monopoly, indeed, probably appears a kind of "collective security" in the eyes of many not usually given to idealism. Political parties do not change their policies against public feeling, and the speech of the Minister of Fuel, which evoked Mr Hobson's article is itself a sufficient commentary on his assumption of a smouldering enthusiasm for free enterprise which needs only a breeze to stir it to flame. Major Lloyd George could advise the gas and electric companies to "come together," to eliminate "wasteful competition," and to standardize their prices against the public without any shock to the party with which he is identified—a party which not so long ago used to advocate Free Trade with no uncertain voice. There is every indication that Major Lloyd George's recommendations for the "security" of the fuel and light companies (and their

employees) are as well received by the public as the recent recommendations for the "security" of the farming industry, although the security in both cases must be at public expense.

When Sir Walter Citrine declared as long ago as 1929 that the trades unions should encourage the centralization of industry as a step towards the consolidation of their power, he expressed an opinion which in practice has assisted the growth of monopoly and which has not diminished. It is not only the rich who support monopoly. Something far more than publishing details of Big Business accounts, something more than repetition of previous arguments—sound though those arguments remain—is necessary to bring about that revolutionary change in public opinion which alone can shake the enormous power with which monopoly, private and public, now shapes the lives and even the opinions of the people.

ARE MONOPOLIES INEVITABLE?

Monopolies are generally considered an inevitable and natural development of modern industry, hence discussion of the legal privileges they enjoy is dismissed as a merely trivial point. The public are less conscious that monopolies enjoy privileges than that during the wave of unemployment which swept the country after 1929 we enjoyed (as they were told) Free Trade and free competition. It is easy enough to retort that no development of industry can be considered natural until it has been tried under natural conditions, *i.e.*, conditions of liberty; it is easy enough to point out that during the last great economic crisis Great Britain under Free Trade suffered considerably less than those countries which had always enjoyed the blessings of Protection and those forms of monopoly which it protects so effectively. But these arguments fail to answer the question: Why is it then that under so-called economic liberty up to 1931 the great mass of the people still suffered from poverty, insecurity and fear of unemployment, while others enjoyed leisure, security and independence?

THE FUNDAMENTAL LEGAL BASIS OF MONOPOLY

History suggests that Free Trade came to our country not so much from enlightenment on economic matters among the masses, but because they were suffering and had been suffering from monopoly and Free Trade appeared at least a change. It was *new*. Now, however, Free Trade, understood merely as such freedom of imports and competition as existed in 1914 or 1931, is no longer new. We are not likely to come back to Free Trade except by way of free trade—by way of economic liberty in its fullest sense, equal freedom for every individual to exchange his products with whomsoever he will, equal freedom to produce them in the manner which appears best and easiest, and, above all, equal freedom to use the natural resources of the earth, including those advantages of situation which arise from the presence and activities of the community as a whole.

Big Business usually enjoys those privileges which tariffs, quotas, patents, royalties, cumbersome regulations and licences can confer or operate in its favour; but it does not always enjoy all of these.

There was never yet a Big Business, however, which operated exclusively as a tenant and not as an owner of land. The Big Business is always the big landowner too, although this aspect of the matter seems always to be avoided in discussion. The most inefficient of undertakings, were it able to monopolize the land which a competitor needed, could soon force its competitor out of business—or, more likely, absorb its competitor. No kind of competition could be more unfair than this, yet all Big Businesses are virtually in a position to use this power or to threaten to do so without the slightest infringement of our laws. Any consideration of the question of monopoly which ignores land monopoly must be superficial so long as man needs land for every moment of his work and existence, and any conclusions that the natural unit of industry must inevitably be the huge combine with which we are unhappily so familiar have no evidence to support them. As the experiment of full liberty in modern industry has not been tried, we cannot gauge the exact size of the unit under natural conditions. As the effect of monopoly is always towards larger units, however, it may confidently be expected that the withdrawal of this factor will allow the smaller unit to operate to a far greater extent than at present. Such economic liberty as exists or has existed supports this expectation. The gain to human dignity and self-respect, and the dominating influence of these factors on individual character, cannot be underestimated. The great combine, with its thousands of operatives and executives subservient to each other and to a directorate which is usually subservient to some other direction—this is no school either of self-reliance and self-respect, and some recent denunciation of general morality and honesty might usefully be directed to this basic factor.

A NEW ECONOMIC POLICY

The war on monopoly must be waged in the sphere of ideas, and it must be a totalitarian war, attacking the enemy at his main base as well as his outposts. This is not only sound strategy, but it possesses the advantage of novelty. The conception of Free Trade is an old one, its attractions are no longer powerful enough by themselves to overcome the dominant forces of publicity and current opinions. The conception of complete economic liberty, presented with sufficient force as a fresh, inspiring and revolutionary ideal, could eventually overcome even the inertia of a public educated so long by economists both orthodox and popular to consider political economy as a dismal science carrying no message to mankind in general, and having no bearing upon the great problems of our time. Before this conception can be presented, however, a sounder knowledge of elementary political economy must be extended among the masses whose knowledge or whose ignorance must always, in the long run, be the deciding factor. It is difficult to escape the conclusion that the test of sincerity among any body of advocates of reform is the degree to which they are prepared to co-operate with any movement to stimulate the acquisition of this knowledge.

FRANK DUPUIS.

THE ADVANTAGE OF SITUATION

EVEN IN cities there are great differences in the values and rents of land, for some sites have a greater utility for a given purpose than others. Shops, offices and business premises in London, near to a busy railway terminus, where crowds of people are constantly passing are conveniently situated for attracting business. "To succeed, a shop must be in a main thoroughfare" is a commonplace statement. The extra business thus gained is not primarily due to the cleverness or ability of the tenant of the shop. He might be an exceptionally able business man, but his best efforts would be crippled were his shop in a side street. He needs a good situation for his shop; with that and with business ability success is assured. It is this extra value, due to position, that the landlord exacts. The fertile land has evolved a new quality. It has a utility of position which gives it a monopoly value. The high profits made in shops enjoying the advantage of good position are to a great extent due to that position, and it pays the tenant to agree to a high rent rather than take a bigger shop in a less eligible part of the town. The truth of this can readily be grasped by watching the number of people entering shops such as confectioners and drapers in various parts of the same town, or even of the same street. It will at once be seen that the shop most convenient for shopping, that is the shop at the point where people are constantly passing in great numbers, is the shop best calculated to succeed. Thus, so far as economic rent is concerned, it must be realized that as a community progresses, there emerges in the case of land enjoying certain advantages of either fertility or situation, or it may be of both, an extra gain or profitableness in connection with production. This extra gain is not due to either the skill of the cultivator or the shopkeeper or manufacturer; nor is it due to any genius attaching to the landowner. In some cases this extra profitableness goes on increasing even to a fabulous extent. It is due to progress and the growing density of population.—A. W. Kirkaldy, M.A., B.LITT., OXFORD., Professor of Economics, University College, Nottingham, in "*Wealth: its Production and Distribution*" (Methuen).

ESSAY COMPETITION

Prizes Awarded

The number of Essay submitted for the Essay Competition conducted by the Henry George Foundation was 43. The judges appointed by the Trustees of the Foundation decided, on merit, to award prizes as follows: Two of £15 each; two of £10 each; and six of £5 each. The Prize-winners are: "Aspirant," £15; "Tiro," £15; "Blackbeard," £10; "Democritus," £10; "Social Crusader," £5; "Brookdale," £5; "Richard Haydn," £5; "Husbandman," £5; "E. V. R.," £5 and "Louis Rayner," £5. Each of the competitors has been informed by post of the result of the Competition.

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