# MONOPOLY: THE RULES OF THE GAME

*THE GUARDIAN* (London) invites its readers to pose questions to which others can then offer answers. Richard Bramhall, press officer of the Welsh Green Party, asked a question about the game of Monopoly. His question:

*In the Board Game Monopoly, as in real life, the players as "landowners" are free to exploit the other players as "tenants." The wealth gap widens rapidly and the losers starve. How should the rules of Monopoly be revised to reflect landowners' responsibilities to the community?*

These were the published answers:

• Monopoly beautifully illustrates the inability of the free market to sustain itself. Inequalities soon emerge and are rapidly amplified by chance and skill through the market mechanism - until the game eventually comes to a stop when all the money and most of the assets end up in the hands of one player. It is only the "social"- ie., non-market, income received by each player on passing "GO" - that keeps the game going long enough to be worth playing.

The free market is no better than any other perpetual motion contraption. It requires an external source of demand to drive it. If you want to model the welfare state, you could impose a progressive tax on rents to go into the Community Chest and you could increase the "social income" received by players. In short, "Tax and Spend", the ultimate anathema of the free market believers. But you would then face the possibility of an endless game. - Ralph Herdan, Stockport, Cheshire.

• The game of Monopoly is based on an older game, the Landlord's Game, devised in the United States in the 1890s and intended by its inventor, Elizabeth Webb, as propaganda against slum landlordism.

In the 1970s a small US manufacturer produced a game called Antimonopoly in which the aim was to break up, rather than create, large capitalist enterprises - but was promptly sued for breach of copyright by Parker Brothers, the US manufacturers of Monopoly. A new edition of this game has appeared recently, so the dispute seems to have been resolved. - Roger Sandell, Richmond, Surrey.

• When any player amasses more than £100,000 in cash, he should give half to the Conservative Party and go directly to Cyprus. His remaining property should be sold and a pension fund should be established for the other players after 10% has been deducted for the Royal Train. - Rev.Dr. Bernard E. Jones, Fulwood, Lancashire.

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Much of Pittsburgh's success is attributed to its urban renewal program without noting that almost every American city attempted the same thing. Lacking systems to reward enterprise and thwart land speculation, few matched Pittsburgh's results. The 1960-85 era is replete with urban renewal horror stories: excessive demolitions, uprooted minorities, acres of vacant business districts, abused subsidies, etc. The authors properly assign some credit to Pittsburgh's generous tax abatements for new construction. Unasked question: since many comparison cities used such abatements why were the same results not achieved?

A cub reporter, sent to cover the Johnstown flood, started dictating: "From the mountaintop overlooking Johnstown, God surveys a scene of utter devastation..." His editor screams into the phone: "Stop! Forget the flood! Interview God!" That classic journalism story comes to mind because this study offers data and opens debates bearing directly on the urgent urban issues of central city decay and sprawl - yet leaves them unaddressed, on the mountaintop, so to speak.

Oates and Schwab worry that higher taxes on land values, by hastening land use, may lead to "socially excessive levels of current development." They cite no Pittsburgh examples, nor do they confront the corollary: low land taxes and delayed development of in-city sites are promoting blight and costly suburban sprawl.

Pittsburgh's skyscrapers plus residential buildings increased substantially in the 1980s. Census data show that in its suburbs, which lack the two-rate tax, commercial industrial construction rose only 4.5% and home construction was down -35%.

• In contrast, in most comparison areas, commercial building declined in cities but their suburbs experienced major growth (percentages are for suburbs): Akron, 39%; Allentown, 70%; Cincinnati, 54%; Columbus, 106%; Detroit, 37%; Rochester, 40%; Youngstown, 65%. Central cities, of course, were desperate for a bigger piece of this action.

If the authors have not grasped the theory linking tax policy with growth patterns, they at least should alert all those who are wrestling with urban problems that Pittsburgh is doing something to counteract sprawl and keep the core city healthy.

"What the Pittsburgh experience suggests to us," write Oastes and Schwab, "is that the movement to a graded tax system can, in the right setting, provide some stimulus to local building activity. The primary role of the land tax in all this is to provide the additional source of revenues that allows a reduction in the rate on improvements."

This must jar anyone familiar with land tax literature which always stresses taxing buildings less as well as taxing land values more. One welcomes the rediscovery of what Henry George wrote 112 years ago, that abolishing taxes on production is like "removing an immense weight from a powerful spring." But it is disheartening to see this integral part of the land tax mentioned as a kind of accidental side effect. Despite all this, the paper makes a positive contribution. The findings are monumental and the analysis should stimulate further research by economists who have paid too little attention to the implications of property tax modernization.