## 1911 Encyclopædia Britannica, Volume 18 — Monopoly



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**MONOPOLY** (Gr. μονοπωλία or μονοπώλιον, exclusive sale, from  $\mu$ óvoς, alone, and  $\pi\omega\lambda\epsilon$ ĩv, to sell), a term which, though used generally in the sense of exclusive possession, is more accurately applied only to grants from the Crown or from parliament, the private act of an individual whereby he obtains control over the supply of any particular article, being properly defined as "engrossing." It was from the practice of the sovereign granting to a favourite, or as a reward for good service, a monopoly in the sale or manufacture of some particular class of goods that the system of protecting inventions arose, and this fact lends additional interest to the history of monopolies (see PATENTS). When the practice of making such grants first arose it does not appear easy to say. Sir Edward Coke laid it down that by the ancient common law the king could grant to an inventor, or to the importer of an invention from abroad, a temporary monopoly in his invention, but that grants in restraint of trade were illegal. Such, too, was the law laid down in the first recorded case, Darcy V. Allen (the case of monopolies, 1602), and this decision was never overruled, though the law was frequently evaded. The patent rolls of the Plantagenets show few instances of grants of monopolies (the earliest known is temp. Edw. III.), and we come down to the reign of Henry VIII. before we find much evidence of this exercise of the prerogative in the case of either new inventions or known articles of trade. Elizabeth, as is well known, granted patents of monopoly so freely that the practice became a grave abuse, and on several occasions gave rise to serious complaints in the House of Commons. Lists prepared at the time show that many of the commonest necessaries of life were the subjects of monopolies, by which their price was grievously enhanced. That the queen did not assume the right of making these grants entirely at her pleasure is shown, not only by her own statements in answer to addresses from the house, but by the fact that the preambles to the instruments conveying the grants always set forth some public benefit to be derived from their action. Thus a grant of a monopoly to sell playing-cards is made, because "divers subjects of able bodies, which might go to plough, did employ themselves in the art of making of cards"; and one for the sale of starch is justified on the ground, that it would prevent wheat being wasted for the purpose. Accounts of the angry debates in 1565 and 1601 are given in Hume and elsewhere. The former debate produced a promise from the queen that she would be careful in exercising her privileges; the latter a proclamation which, received with great joy by the house, really had but little effect in stopping the abuses complained of.

In the first parliament of James I. a "committee of grievances" was appointed, of which Sir Edward Coke was chairman. Numerous monopoly patents were brought up before them, and were cancelled. Many more, however, were granted by the king, and there grew up a race of "purveyors," who made use of the privileges granted them under the great seal for various purposes of extortion. One

of the most notorious of these was Sir Giles Mompesson, who fled the country to avoid trial in 1621. After the introduction of several bills, and several attempts by James to compromise the matter by orders in council and promises, the Statute of Monopolies was passed in 1623. This made all monopolies illegal, except such as might be granted by parliament or were in respect of new manufactures or inventions. Upon this excepting clause; is built up the entire English system of letters patent for inventions. The act was strictly enforced, and by its aid the evil system of monopolies was eventually abolished. Parliament has, of course, never exercised its power of granting to any individual exclusive privileges of dealing in any articles of trade, such as the privileges of the Elizabethan monopolists; but the licences required to be taken out by dealers in wine, spirits, tobacco, &c., are lineal descendants of the old monopoly grants, While the quasimonopolies enjoyed by railways, canals, gas and water companies, &c., under acts of parliament, are also representative of the ancient practice.

See W. H. Price, The English Patents of Monopoly (1906).

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