

THE MENACE OF PRIVILEGE.*

BY HENRY GEORGE, JUN.

A Review by the "Glasgow Herald," 15/2/06.

Many people suppose, when they read of American millionaires and their pranks that the American people are content to have it so, and because everybody is well off have no special grievance against those who monopolise so vast a share of the country's wealth, and use it, wisely or foolishly, at their good pleasure. This book, written by Henry George's son, is a proof that all Americans are not content, either with the existing social system, or with Protectionism, and that some of them are thinking how inequalities may be redressed, and all the people made really prosperous and happy, which, notwithstanding high wages, they are not.

Mr. George puts in a compact form most of the information that is needed to form a just judgment on millionairism, discovers the root cause of the phenomenon, and then suggests what he considers a certain cure. America, once the land of equality, is now the land of inequality. The people were equal once because access to the land was easy; now land is monopolised, and the bosses are the landowners and those who assume a right of property in natural opportunities which they have bought with the price of the earth in which they lie, and can dole out at their own price. A small lot at the corner of Broadway, New York, which in 1827 sold for \$18,000, sold in 1905 for \$700,000. The assets of the U.S. Steel Corporation were valued at 600 million dollars, but the combine was floated at 1300 million. Mr. Schwab explained the discrepancy by saying that the Trust owned or controlled natural opportunities worth at least 800 millions—iron and limestone lands, coal and natural gas fields. The reason why the stock went down was that the land ownership underneath the Trust was not extensive enough. But Mr. Carnegie's fortune—which is bonds, not shares—rests upon a monopoly of natural opportunities. These are types of the facts that Mr. George uses for his demonstration. He shows how other millionaires, from Astor to Morgan, have made their vast fortunes. Morgan is described as the head of the Princes of Incorporating and Financing Privilege.

These men who play so freely with the wealth of a people are empowered to do what they do by the fact that they "possess special advantages created or sanctioned by Government—advantages which have been placed in four categories:—

- (1.) Ownership of natural opportunities;
- (2.) Taxes on production and its fruits;
- (3.) Franchise grants;
- (4.) Powers to manipulate the general finances and juggle the general market, and also court immunities, which powers, when not expressly created, are at least fostered by the Government."

We shall not say that Mr. George succeeds entirely in showing that any change in the laws would break the power of these combines and financiers. But he has no difficulty in proving that such a monopoly as the United States anthracite field, being worked by restriction of output for high prices, is contrary to the general good, seeing that consumer and labourer would alike benefit by public ownership, and even by a different kind of private ownership. He adds to the interest of his book by disclosing some of the facts that point to the demoralisation of the millionaire class, and of the infection their habits and very existence spread through the community. He indicates some facts that point to a turning back of the hands of democracy, and to an attempt on the part of the privileged to monopolise political as well as financial power. It is among them that the phrase "Intelligence must govern" is current and Mr. George naturally dreads its implications.

The poor and the oppressed, the vast mass who live in fear of poverty, are represented with equal vividness as victims of the system which makes the millionaires all powerful. Those who think Protection makes work, high wages, and universal prosperity should read the chapters under this head. A less serious effort is made to charge the extravagances of American Trade Unionism to the existence of privilege, bolstered up by the law. But there can be no question about the illuminating value of the section of the book headed "Weapons of Privilege." There we learn what we cannot but believe to be the essential truth about the dominance of the law courts by Trust lawyers—since the Trusts employ the best men and the best men reach the bench—and the connection between that fact and the extraordinary development of the use of the "injunction" as a masters' weapon against strikers.

The details given are most instructive, and so are the larger particulars of the recent uses of the Federal Army, nominally to put down riots and support law and order, really, as Mr. George contends, to coerce strikers. Militarism seems to have a meaning of its own in the States, where, according to Mr. George, "more and more in the armouries [Militia] in our large cities the 'riot drill' is displacing thought of defence against foreign invasion." Then follow chapters on the dominance of politics by the privileged class, on the bondage of the press, on the dependence of the pulpit, on the centralisation of Government, &c.—all pertinent in their way, though obviously to some extent coloured by partisan Democratic views.

Finally, foreign aggression is directly related to Privilege, through the centralisation of the Government which permits of it; the people

* "The Menace of Privilege. A Study of the Danger to the Republic from the existence of a Favourite Class." By Henry George, jun., 6s. 6d. net. (New York: The Macmillan Co.)

are warned that they are going the same way as the demoralised civilisations of the past; and then the author presents his cures. Tax land values up to the hilt, he says, and corporations like the Steel Trust would collapse like a house of cards; and "taxing economic rent into the public treasury would destroy monopoly of natural opportunities in the urban centres just as it would destroy land monopoly elsewhere." For the rest, the tariff must go, and "all railroads and other forms of public highway where free competition cannot be maintained should not be in private, but in public hands."

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