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A FAVORED CLASS.

Henry George, Jr.'s, Noteworthy Book
on "The Menace of Privilege
in This Republic."*

Written for THE NEW YORK TIMES SATURDAY REVIEW
OF BOOKS BY

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FROM the close of the war of 1812 until the beginning of the War of the Rebellion the people of the Northern Commonwealths of the United States presented to the world an example of genuinely republican society and polity. The vast economic opportunities of the continent were not yet fully known, and the richest of them were unappropriated. Life was simple, but earnest. All men worked, not under the goad of necessity, or the spur of a maddening struggle for distinction and power, but because opportunity and the certainty that thrift, industry, and enterprise would have their reward created a cheerful ambition and enthusiasm. Although the suffrage was not quite universal, inasmuch as two or three States still maintained a property qualification, political equality was on the whole more nearly realized than it had been anywhere in the world before. Local self-government showed a vitality that was felt by many thoughtful minds to be inimical to National feeling. Centralizing tendencies were feared and discouraged, so far as the relations of the Commonwealths to the Federal Government were concerned, and they had not even appeared in State administration. There were no great fortunes and there was but little poverty. On the whole, America, so far at least as the Northern States were concerned, was in truth a land of both freedom and equality, and was self-consciously proud of the fact. Freedom, equality, and republicanism, approximately realized, were, above all, cherished as ideals. Only slavery in the South, and the relatively great wealth and aristocratic feeling of the powerful slave-owning planters, visibly threatened the republican system. These constituted the one great menace of privilege to the republican society of those days.

Yet, as we look back upon conditions that existed in the America of an earlier time, we discover there forces that seemed quite as likely to create an oligarchical, or even a monarchical, as a republican society. In the Colonial period a large part of the appropriated land was held in large estates as the property of titled owners; in New York, in Pennsylvania, in Maryland, and in Virginia, everywhere, in fact, except in New England and in the back country of the South. Throughout a large part of Colonial America society was rather sharply divided into aristocratic and democratic classes, and it is worth remembering that the Revolutionary War had a social as well as a National and an international political significance. For, in truth, it was the triumph of the democratic over the aristocratic element that forced the Colonies into a war of separation. The aristocratic or Tory Party had no wish to part from England; certainly it had no wish to set up a new political experiment based on the principles of the Declaration of Independence. The success of the revolutionary movement completed the discomfiture of the privileged class, the greater part of which withdrew or was driven from the country to Canada, to England, and to the West Indies.

The menace of privilege, thus for a time un-
ished, was not, however, destroyed. It reappeared
in the days of Constitution making, and in a rather
dangerous form withal, inasmuch as that brilliant
political genius, Alexander Hamilton, who, more than
any other one man, forced the Constitutional issue
upon the people, and brought about the permanent
union of the States, was an avowed champion of
aristocratic principles, and was publicly charged with
preference for a monarchical system. The Eastern

States, rapidly recovering from the impoverishment
of the Revolutionary days, were rapidly losing the
democratic spirit which, at an earlier time, had dis-
tinguished them from the Middle and Southern Col-
onies. Their great merchants were becoming rich
in the West Indian and the Eastern trade, with the
consequence that the Federalist Party stood as un-
equivocally for economic privilege and class dis-
tinctions as the Tory Party had done before the
Revolutionary War. It was the democratic pioneer
population west of the Alleghenies that now stood
for the ideals of equality, and it was that popula-
tion which forced its principles, including its in-

domitable belief in nationalism, to a
decisive issue in the War of 1812.

It appears, then, that already in
American history the American
spirit of democratic republicanism,
which De Tocqueville eulogized and
Kipling has sung, has three times en-
countered the menace of privilege, and
three times emerged from the encounter
victorious and triumphant. It expelled
the Tories and put an end forever to
those hereditary privileges of aristoc-
racy that invaded the Western Conti-
nent in Colonial days. It overwhelmed
the commercial aristocracy of New
England, organized in the Federalist
group, and in the clash of the civil war
it overthrew and annihilated the slave-
owning plantation oligarchy of the
South. These reflections may give us
heart as we turn the pages of Mr.
George's unsparing disclosure of the ex-
tent and power of the plutocratic priv-
ilege that threatens our democratic so-
cial system and republican polity to-
day.

Admitting that we have no accurate
statistics of the distribution of wealth
in the United States at present, it is
probable that a diminishing minority of
the individuals making up our popula-
tion of 85,000,000 to 90,000,000 owns
a major part of American wealth. The
United States Census Office estimates
the aggregate wealth of the country in
1900 at \$90,000,000,000. Of this total,
the value of farms and of farm equip-
ment, still owned for the most part by
individuals, amounts to something
more than \$18,000,000,000, while the
wealth owned by corporations exceeds
the agricultural wealth by more than
\$5,000,000,000. Mr. Justice Grosscup,
in a recent magazine article that has
attracted some attention, estimates
that, leaving city real estate out of con-
sideration, more than half of Ameri-
can wealth is now the property of cor-
porations, and that more than half of

the American people are directly dependent upon corporations for a livelihood. Mr. John Moody, in his "Truth About the Trusts," says that 440 more trust corporations have a total capitalization of more than \$20,000,000,000, and that these trusts are controlled by a comparatively few persons. The World's Work in 1903 pointed out that twenty-four men on the Board of Directors of the United States Steel Corporation directly or indirectly represented one-twelfth of the estimated total wealth of the country. As early as 1889 the late Thomas G. Shearman estimated that less than 250,000 persons practically owned the United States of America, and he predicted that within thirty years this country would be substantially owned by less than 50,000 persons. Without attaching too much importance to any one of these estimates, we may concede that there is to-day in this country a concentration of wealth and a degree of plutocratic power that, all in all, has not before been equaled in human history, and this in itself is a rather startling showing for a "land of equality."

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IT is Mr. George's contention that this concentration represents privilege.

It has been created by privilege, and it threatens to create more privilege. By privilege Mr. George means what the lawyer, speaking technically, understands by the term, a special legal right, not enjoyed by all men equally, but conferred upon individuals, or upon a class. In a word, Mr. George maintains that the enormous fortunes, and the power that goes with them, which menace our democratic ideals, have been created by unequal, and therefore unjust, laws, and that, by controlling Legislatures and courts, the pulpit, the press, and the universities, they are daily making our laws and administration more and more unequal, and thereby converting our Nation into a political state that is republican only in traditions and in name. Among the privileges upon which he particularly dwells are those created in and by the protective tariff, franchises granted to corporations, laws permitting the monopolization of land and the natural resources of the earth, and laws creating those corporate personalities which, with their enjoyment of limited liability and their practically immortal life, have also practically all of the rights and liabilities of natural persons, except the liability to go to jail.

In developing his thesis, Mr. George has given us a book of first-rate interest and importance. It is written forcefully and brilliantly, and, merely as good reading, it will take a high place

in the literature of economic and political discussion. As a picture of present-day conditions it is a remarkable piece of description and analysis. Taking up successively the topics, Privilege: Its Extent and Nature, Princes of Privilege, Resistance to Privilege, Weapons of Privilege, Privilege the Corruptor of Politics, Influence on Public Opinion, Present and Past, and The Remedy, he deals ably and fearlessly with the most vital questions that can to-day interest the American citizen. I know of no other work presenting so vivid and unsparring a picture of American life as it may be seen to-day as do Mr. George's chapters on how our princes live, on their amusements and dissipations, and on the physical, mental, and moral deterioration of the masses. In like manner, in his discussion of resistance to privilege, I find a singularly clear and broad-minded criticism of the policy of the labor organizations, and of the dangers to individual liberty that are involved in the methods of trades unionism. Again, no

American voter who has the honor of his country at heart can read without being deeply stirred the chapters on the use of the courts by privilege, and on the corruption of National, State, and municipal politics through the unscrupulous use of money. Even more dangerous than open corruption, because more subtle, is the influence that wealth is exerting over public opinion through its control of the press, the university, and the pulpit. Without indorsing all of the statements that Mr. George makes under these heads, I can unhesitatingly commend them to the very serious consideration of all sober-minded men.

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IN his discussion of the remedy Mr. George, of course, stands by those principles which his father so ably advocated in "Progress and Poverty," and in other writings. But the son, I think, looks at the problem somewhat more broadly than the father did, and he sees the necessity of action reaching beyond the transfer of land values to the public, and the abolition of a protective tariff. Besides these reforms we must have the abolition of special Government grants to favored individuals or classes, and of grants under general laws, and of immunities in the courts. Mr. George, in a word, is neither a Socialist nor an Anarchist, but a true Jeffersonian Republican, thoroughly believing in the rightfulness of both private property and public property, and, above all, in individual enterprise. It is his firm belief that if we restore to the public that which rightfully belongs to it, and make our laws equal in fact, as they are in theory, we shall be under no necessity of resorting to radical Socialistic experiments to deliver this Nation from "the menace of privilege."

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