

in matters of display. It was difficult at first, then, for the Professor to believe much less comprehend, a society in which the dominant idea from top to bottom was service; he could not help saying to himself that he felt like a heathen brought for the first time into contact with christianity. But that it was this spirit of fellowship and service which gave the society of the Island its peculiar flavor of real delight he could not doubt. For example: One evening at a party he noticed a distinguished native who was genially pointing out the beauties of a picture gallery in their host's house to an interested group of people, some of whom were mechanics and laborers, though all were about equally well dressed. The gentleman in question was a noted connoisseur, and his remarks upon the pictures were most interesting and helpful, and evidently much appreciated. The Professor could see not the slightest touch of condescension toward the less educated portion of his auditors; and indeed he noted throughout the assembly an entire absence of the caste feeling which he would have found everywhere at home. Nitka not being present the investigator felt that he had no real business to engage him and thought he could not do better than make use of the opportunity to get some further light on their strange social relations, and he was so fortunate a little later in the evening as to find the Art Critic enjoying a cigar in solitude on the balcony.

To be continued.

ECONOMIC PRIVILEGE.

(For the Review.)

By ELIZA STOWE TWITCHELL.

The labor question with many people appears to concern itself only with the unemployed, or at most with wage earners; but in its broadest sense it includes every political problem of our time, such as The Tariff, Trusts, Monopoly, The Unemployed, Child Labor, Tenement House Reform, Graft, Taxation; in short, the cause of the vast inequalities in the distribution of wealth, why those who toil the hardest receive but a bare living, while many who labor with neither hand nor brain acquire great wealth.

All of these questions are at bottom economic ones, and though they assume these many different forms and names, yet all are included in that of Privilege. This subject touches the interests of millionaires, the prosperity of business men, the homes of the people, and the miseries of the poor. It conditions life keenly upon the side of the pocket-book, and this being a modern vital nerve, its influence is therefore powerfully felt throughout the whole fabric of society.

Moreover, the attention of the whole nation is now awakened to this subject under cover of what one popular statesman vaguely calls "A Square Deal," what another brilliant writer forcibly attacks as "The System," and by a third,

whose eloquent defense of "Equality of Opportunity," has caught the ear of the listening multitude.

For this reason the study of Privilege may not be untimely; for before these problems that now perplex the nation and hinder progress can be solved, the subject of economic privilege must be more clearly understood; for in it lies the key to the very truths so many earnest, thoughtful people are seeking.

Privilege is always so closely associated in business with Wealth and Capital that it is not easy to distinguish between them. Their differences are best seen by comparison.

Wealth and Capital are both material things, and both are created by Labor from land.

Privilege is the opposite of these, in that it is neither a material thing, nor is it created by labor. It is a power created by law,—a legal power to obtain wealth from those who have produced it by their labor, without giving them any return for it, either in money or in service. In short, Privilege is a power to obtain something for nothing.

Those who possess great legal-privilege-power are also the owners of vast amounts of capital, and it is because these two are always so closely associated in business that it is difficult to distinguish between the gains from their privileges and the profits from their capital; hence the common confusion over the words Trust and Monopoly.

Monopoly is the form of which Privilege is the essence. A Monopoly is always a combination of Privilege and Capital. A Trust may be the same; but more commonly it is only a combination of Capital; when so, it may be an industrial benefit; for by producing upon a large scale, it can lessen expenses and so cheapen the price of its products. Capital alone is not strong enough to work any lasting injury to the people. It is Privilege, masquerading as Capital, that possesses the power to restrict production, by curtailing the opportunities to labor, and is thus able to keep up the price of its products as long as its privilege power remains. Abolish Privilege and the production of wealth would rush forward with leaps and bounds. Abolish Privilege and a ready market would be at our very door, sufficient to sustain in employment, and at good wages, every wheel of capital, as well as every hand and brain willing to work.

Fortunately, it is not necessary for the understanding of this subject to study in detail every industry that reaps a profit from privilege. We need only to remember that there are but two forms of privilege, one created by human laws, and the other created by a law of Nature. The first can be abolished by repealing the laws that have created them; the second can never be abolished, since it is impossible for man to destroy a law of Nature. But as soon as he understands the law, and its workings, he can use it for his good, when lo! one of Nature's divine miracles will stand ever ready to serve him.

PRIVILEGES THAT ARE CREATED BY HUMAN LAWS.

The first form includes all those privileges that are created by Congress, such as tariffs, subsidies, and patents; also those created by State Legislatures,

and Municipal Governments, such as, giving private corporations the exclusive right to carry on industries that are in their nature quasi-public,—industries that cannot be started until they are granted public franchises; i. e. exclusive right to use, or construct highways for transporting freight, passengers, light, power, gas and messages. This form of privilege includes also the legal right of those who own the land to own also its selling value

Nature creates land-values-privileges for all, but unwittingly, human laws give them to a privileged class.

THE EFFECT OF TARIFF PRIVILEGES UPON DISTRIBUTION.

The effect of tariff privileges is to give those who possess them, the legal right to tax eighty millions of people.

This is done by keeping the price of all tariff protected articles higher than they would be under free competition.

A tax of only a half cent on every pound of sugar consumed by eighty millions of people, means millions of dollars for the Sugar Trust. In this way the Steel Trust is said to "acquire" \$75,000,000 annually.

The claim is made that the protective tariff benefits the wage earners; but Thomas G. Shearman has shown that it is upon this class that the tariff taxes rest the most heavily; while its real beneficiaries are less than 50,000 families, who, collectively, receive over \$350,000,000 annually by means of their tariff-taxing-privileges. These constitute a privileged class.

When such a large sum as \$350,000,000 is taken by Privilege, from the total amount of the wealth annually produced by Labor and Capital—for Privilege produces no wealth—is it not clear, that the share of Labor and Capital is lessened by that amount? Such in bold outline is the effect of the tariff taxing privileges upon the distribution of wealth.

But this form of Privilege, powerful as it ever is in politics, ubiquitous as it ever is in the price of all commodities, is weak and small in amount, when compared with the second form of Privilege, viz., Land-values, for these include all franchise values, because in essence, franchise values are land-values.

SECOND FORM OF PRIVILEGE, OR LAND-VALUES.

Land has two values—a useful and a selling (or rental) value. Land, like air, sunshine, the dew, and the rain, is necessary for life. This necessity reveals how great is its useful value. But it is only with its selling, or rental, value that we need to deal, because it is this value that has produced such marked effects in modern times, upon both the production and distribution of wealth, that before this question of Privilege can be clearly understood, one must know just what land-value is, how it rises, what is its cause, and be able to trace its effects upon production and distribution.

Land in the jungles of Africa may be ever so fertile, may be rich in mineral deposits, useful for natives to live upon; yet possess little or no selling value. The difference between the selling value of land in Africa, and in the United States, measures the differences between the ease and rapidity by which wealth

is being produced in the two countries; more, it gauges the economic difference between the two civilizations.

In the United States the accumulated knowledge of all past ages is open to every one. This knowledge has given us, among other things, Invention and Modern Industry, with their use of steam and electricity, all of which have led to minute sub-divisions of labor. Wherever these facilities exist, there wealth is being produced upon a large scale and at low cost; where this is being done, land takes on a selling value in proportion to the density of the population engaged in these modern, co-operative methods of production; *and also in proportion to the ability of the people to consume wealth; for it is the demand for wealth that causes it to be produced.*

Just as a thermometer, by a physical law of Nature, registers in degrees the heat in the atmosphere about it, so land by an economic law of Nature, registers in dollars and cents the co-operative, labor-saving-privileges upon and about it.

Competition is to the industrial world what gravitation is to the physical. It is because Labor and Capital can produce wealth faster and easier in one locality than they can in other localities, that competition for the most advantageous sites causes land to have different values.

So marvellous is this law of Nature, that by it, land-values are made to measure, far more accurately than any human knowledge could do, the worth to Labor and Capital of all the industrial, educational, and social privileges in each locality.

How still more marvellous is this law, that it has power to fix and to hold the market price of one advantageous site at \$300 per square foot, and at less than two cents per square foot in another place. No human law could do this.

It used to be thought that those who owned the land created its value; but now we know that one individual can no more create the competitive force that causes land to register the labor-saving and social advantages upon and about it, than a thermometer can create the heat that causes the mercury to rise in its tube. In each case it is a law of Nature. Looking at land-values then, from the side of Nature, they may be termed "Nature's Privileges," and the payments that are given for their use "Nature's Tolls."

TOLLS MORE CLEARLY DEFINED.

If one lives upon land that has no value, Nature will exact from him no tolls; but if he lives upon, or over, land that has such a value, even if he occupies but one room in a hotel, or an office on the tenth floor, he must pay tolls.

In common language these tolls are called "rents," and are included in the price he pays for his room or office. Political economists, mentally, separate these two prices, calling the part that is paid for location "ground-rent," and the part that is paid for the room "wages" to capital, i. e. interest on investment. These two, tolls for the use of privileges, and wages for Labor and Capital, are the two great channels through which all wealth flows in distribution, (See Chart in frontispiece.)

Again, there are two terms in common use that are in essence tolls, *because they are payments for the use of privileges*, viz.—“fares” and “rates.” I refer to railway and electric car “fares,” and to freight, telephone, telegraph, gas, light and power “rates.” Because franchise-values are land-values, therefore no one can use a franchise—a right-of-way-privilege without paying in his “fares” or “rates” a toll for its use. Like the “rent” paid for the room, or office, a part of the price is paid for the use of the franchise-privilege, and the other part is paid for the use of capital.

Again, when those who own valuable mining land lease it for “royalties,” the part that is paid for the unimproved land, is a toll; while the part paid for the use of improvements made by Labor and Capital is “wages.”

Once more, land and franchise owners are “taxed” by government. When such payments come from assessments made *upon land-values only, they are tolls*, no matter by whom-so-ever paid, or to whom-so-ever paid. The definition of a toll is “a payment for the use of Nature’s Privileges, or for land values.” When government asks land and franchise owners to make payments for the use of their land-value holdings, it matters not to government whether such payments—tolls—come out of the tolls these owners have collected from others; or whether they come from the land owners themselves, in payment for such privileges as they are receiving.

Here we have six words, “rents,” “ground-rents,” “fares,” “rates,” “royalties,” and “taxes,” all meaning the same thing—tolls—i. e. payments for the use of Nature’s Privileges, or land-values. This common use of six words to express one economic factor in the distribution of wealth, is exceedingly bewildering, and is the chief reason why this part of the subject has so long remained a Chinese puzzle to so many.

How then, it will be asked, are we to distinguish between tolls and wages, since they are always so closely associated in prices? How much should go to each? To determine this would, indeed, be impossible were it not that Nature is wiser than we. The economic law is—“The value of land is always about equal to the co-operative, *labor-saving* privileges upon and about it, so, by estimating the value of the land, and franchise, we can judge, approximately, the amount of tolls each owner is receiving *from others*, or, in case the owner is using his own land, then the amount of tolls he should pay for such privileges as he is *himself* receiving.

Hence, it follows, as the night the day, that were government to assess land-values, *and land-values only*, according to their market value, government could thus collect, approximately, all tolls into a common fund. This Collective Fund could then be made to flow back again to the people, by using it for Public Benefits, in which all would share equally, such as:—Free Schools, Libraries, Museums, Parks; indeed, if a four per cent. assessment were made upon land-values, there would thus be collected funds ample to meet all necessary expense of government,—national, state, and local; leaving a reserve fund from which, if deemed advisable, old age pensions could be paid, also rewards for heroic deeds; and for every scientific discovery that adds to the sum of human knowledge.

We have seen how every general good that makes for progress enhances the value of land, because such was the Will of the Author of this economic law. The higher the value of land rises, the fuller flow the streams of Nature's Privileges to Labor and Capital, assisting them more and more to produce wealth faster and easier. For this assistance, Labor and Capital will willingly pay higher tolls. All such tolls are then made to flow—through Nature's toll collectors, the land owners—to the Central Fountain; and from thence they are distributed back to the people in Public Benefits; thus making an ever increasing round of industrial progress, in which all would share equally in the general good.

Were Nature's laws obeyed, *were Labor and Capital required to pay no other taxes than the tolls they are now paying to government and to land owners*, the annual production of wealth would soon be increased ten fold, for then the wheels of industry would bear no burdens of taxes whatever, either to government or to a privileged class; for there would be no privileged class. This is the way Nature would put into application—at least so far as her privileges (land-values) are concerned—that grand theory of human brotherhood advocated by Socialists, "Each for All, and All for Each."

The same Infinite Will which made and governs this economic law, also made and governs the Moral Law, since they so conform to each other—"Do unto others as ye would that they should do unto you." Equal rights and equal privileges.

This it is that enkindles in the hearts of the disciples of Henry George such an enthusiasm for Justice! This is the picture they behold whenever they speak those words, so full of meaning to them—"The Single Tax"—yet so incomprehensible to others, because in essence, The Single Tax is no tax, but a sharing of privileges. Perhaps the phrase were better, "The Single Assessment," or "Assessments upon land-values for the collection of tolls."

A brief glance at the chart which is the frontispiece of this issue, may assist the imagination, and fix in memory the workings of this newly discovered law, which reveals, as does no other law of Nature, how lavish are her bounties and how tender her care for all mankind.

Behind the manifestations of the physical laws of Nature we behold only blind, cruel forces, because they are dealing with unconscious atoms; but these laws deal with the economic and moral relations between man and man, and also with the economic relation between each individual and The Greater Man—The Collective Whole. These laws deal with the forces of human desires for wealth, for comforts, for progress, with man's innate sense of justice, and his yearnings for liberty.

Why then, should we not expect to find behind their manifestations some glimpse of a Divine Plan, revealing how men and nations may live in peace together; thus proving that the Author of these higher laws by them has provided for human progress the means of industrial co-operation and brotherly association, under some form of a wise and just Republic of Nations.

Does not all this point to a time, already not far distant, when war and pre-

parations for war shall cease? When "the kingdoms of this world are become the kingdoms of our Lord, and of his Christ, and He shall reign for ever and ever."—Rev. XI, XIV.

"There is in human affairs one order which is best. That order is not always the one that exists, but it is the order that should exist for the greatest good of humanity. God knows it and wills it; man's duty it is to discover and establish it."

In a world where all is governed by law, is it strange that disobedience to that law should bring discord, crime and poverty; bring political graft, and industrial strife?

Obedience to these laws would soon bring such a reign of plenty, that almshouses, prisons and public charities would become as vanished dreams. To become a citizen in such a Republic, Kings might well cast aside their crowns, and financiers their privileged principalities.

Such was the civilization seen in prophetic vision by Henry George, and which he so eloquently described as the one seen by John at Patmos—"the reign of the Prince of Peace." The kingdom which was to have no end, because it bore within its bosom the seeds of righteousness, and which we were admonished to seek after diligently, and then no good thing would be withheld from us.

This vision should be ever present with us, for our inspiration, since the way to its attainment is long and can be made by taking only one step at a time. May ignorance of the law, and indifference to justice soon give place to Knowledge and Wisdom.

THE CONTRAST.

Only one slight change need be made to show the contrast between the civilization that awaits us and the one that now is. Human laws permit land owners to hold land-values as their own property, because it is only recently that a clear-cut distinction has been made, in common thought, between land and its value; moreover, the importance of land-value in production and in distribution is not yet generally understood. So government assesses land just as it does all other forms of property. In doing so it collects only about one and one half per cent. of the capitalized value, thus permitting land-value owners to retain at least three per cent. of such capitalized value.

This method permits a class to retain payments for services they do not give—to receive something for nothing, which is the essence of privilege. The result is that Labor and Capital, after paying their full share to land owners, are then required to pay additional taxes to government.

The reader can easily imagine this change upon the chart, by mentally picturing each of the red lines, after passing through red dots, being divided into two streams, one going as now to the Central Fountain, but dwindled to a small rivulet, and the other going to form a Lake of land-value-privilege, owned by, and situated near the little red dot—the land owner.

Those who own land that is valued by the acre, own such small amounts

of privilege that they can hardly realize the importance of land-values in production and distribution, under our modern methods of industry. For this reason they are quick to take alarm over any proposed change, lest their interests may not be conserved. But whether land possesses a high or a low value, if the value of the improvements upon it are equal to the value of the land, this contemplated change would make very little difference, with all such land owner's tax bills; for the amount of taxes that are added to the land would be taken off improvements.

If one would know how this slight change, of only a few lines in our tax laws, can produce such marked changes in production and distribution, he must look much wider than at the mere detail of tax bills; or, while so looking he must not lose sight of the two broad Channels of Distribution—Wages and Tolls. The change contemplated is a change not only in method, but in principle. The principle underlying our present method is to place the chief burden of taxes upon Wages, by taxing labor products, i. e., Wealth and Capital.

The new principle is to tax only one thing—land-values Privileges—in order to socialize them, that they may be shared by all equally.

A man's tax bill is a poor indication of the amount of taxes he is paying, since by far the larger part are those that are included in the price of the labor products he is using and consuming. Take one example in detail—Hides bear a tariff tax, and besides, the tanners are also taxed on their stock or capital; leather bears another tax, and when made into boots, the boot manufacturers are taxed on their stock. The same boots are again taxed when in the hands of the jobber, and again when in the retail store. All these taxes must be added to the price of a pair of boots, and all are in the end paid by the consumer. Yet such are the advantages of invention and co-operation, that a pair of boots can now be made in four minutes, at a manual labor cost of only thirty-five cents.

All taxes upon Wealth and Capital are in the end paid by the consumers. They limit production, and diminish many opportunities for employment, thus throwing millions out of work, while untaxed Privileges are so greedily sought after that they are now monopolized by a comparatively few financiers.

Thomas G. Shearman estimated fifteen years ago, that 75 per cent. of the land-values of the United States (including mining land and franchises) were owned by less than 50,000 families. Since that time these values have fallen into still fewer hands, because of the fierce battles that have been fought among financiers for their possession.

Estimating the land-values of the United States at 60 billion dollars, 75 per cent. of this would be 45 billion.

This estimate is an exceedingly conservative one, since one important Privilege has been entirely omitted, viz. the millions of land-value that exist in our waterways, now being monopolized by private corporations, for horse power, and for irrigation; this is a privilege value quite distinct from the improvements made by Capital and Labor.

The owners of these privileges (after paying their land taxes) must retain at least three per cent. of their annual earnings, thus giving them a net revenue of one billion three hundred and fifty million dollars. Now to this sum must be added the three hundred and fifty millions these same 50,000 families are receiving from their tariff-taxing privileges, and we have one billion seven hundred million dollars taken yearly from Labor and Capital by a Privileged Class.

True, those who own these privileges own also a vast amount of capital, and since all capital is heavily taxed by government, some of this sum must come out of one pocket before it goes into the other; or before it can be shifted upon the consumers.

As capitalists, these financiers no doubt feel panics, and the hardships of a slow, dull market; but as owners of privileges they are quite exempt from the anxiety that attends those out of employment and those who comprise a large class of business and professional men.

Alfred Russell Wallace states that in the United States 4047 families own five times as much property as do 6,599,796 families among the poorer class. Privilege tells the whole story. These millions are shut out of the general blessings of civilization by being denied their share of Nature's Privileges; yet they are all taxed by government, and also by a privileged class. Besides, they are required to pay tolls to a privileged class. Government defends their right to the ballot, but denies them their right to any share in the land-values, which their needs, their presence, and their labor assist in creating.

What a steady market would be open for the products of Labor and Capital, and how multiplied would soon become the opportunities for employment if these millions, (and five times as many more) could receive their share of the values they are producing. This picture is incomplete when looking at either extreme alone, since one is impossible without the other. Millions harnessed to toil, yet always in need; a few lavishly spending, yet always rich. The effect of this deep-seated injustice in lessening the annual production of wealth, and in turning aside one of the great, natural channels of distribution is incalculable.

It is paralyzing to the moral sense of the whole nation, as witness the indifference of the people to the reports of political graft, and to the horrors of child labor; to the well known fact that there are in our midst millions of our fellow beings who must accept charity, or suffer for the want of food and fuel, that the conditions of life in our tenement-house districts are brutalizing, fostering crime and intemperance.

The marvel is how the nation can endure it and still remain in form a Republic!

Over thirty years ago Henry George wrote:—"With steam and electricity and the new powers born of progress, forces have entered the world that will either compel us to a higher plane, or overwhelm us, as nation after nation, as civilization after civilization have been overwhelmed before."

"But if, while there is yet time, we turn to Justice and obey her, if

we trust Liberty and follow her, the dangers that now threaten must disappear, the forces that now menace will turn to agencies of elevation."

Let us not delude ourselves, but remember that,

"They who allow oppression share the crime."

LAND MONOPOLY; THE CURSE OF THE CENTURIES.

Alien Ownership in the United States.

(THIRD PAPER).

(For the Review)

By H. MARTIN WILLIAMS.

Few people realize the alarming extent of the ownership and control of land in the United States, by foreigners alien to our government and its institutions. In almost every State in the Union, vast tracts of land amounting in the aggregate to tens of millions of acres, are the property of absentee landlords who exact annual tribute from American citizens for the privilege of living and laboring in the land of their birth.

We have transplanted to the shores of free (?) America, the system of absentee landlordism which has been the bane of Ireland for centuries.

Every year, millions of dollars—the produce of the toil of our own people, go to pay rack-rent to alien landlords, yet no protest goes up against the system from press, platform or pulpit in this country.

It is not my purpose, however, to inveigh especially against the evil of alien landownership, but rather to impress upon the minds of all who may read this article, its extent and enormity, and to this end I give below as complete a list of foreign individuals and corporations who own land in the United States, with the amount of their holdings, as I have been able to gather with the means at my command:

Name of Owner:	Number of acres.
Duke of Sutherland.....	425,000
Marquis of Tweedale.....	1,750,000
Sir Edward Reid & Co. (in Florida).....	2,000,000
Marquis of Aylesbury.....	55,051
Duke of Beaufort.....	51,085
Duke of Bedford.....	87,507
Earl of Brownlow.....	67,799
Earl of Carlisle.....	78,540
Earl of Cawdor.....	51,538