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The Heretic of San Francisco

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The date was Sunday, October 31, 1897. The occasion was the greatest tribute ever paid by the City of New York, possibly by any other city in the United States, to a private citizen. It was said that up to 100,000 mourners paid their respects to the man whose body lay in state in Grand Central Palace and that tens of thousands more, unable to enter, prayed outside for the deceased. Services were read by clerics from the Episcopalian, Catholic, and Jewish faiths, and a choir from Plymouth Congregational Church sang hymnal music.

Late that evening, as the sun set below the city sky line, the procession, with the bier in a hearse drawn by sixteen horses draped in black, with the seemingly interminable lines of accompanying mourners, and with a military band that played Chopin's "Funeral March" and "The Marseillaise," moved slowly through streets cleared of traffic, through the center of Manhattan Island, across the Brooklyn Bridge. As was done by the ancient Romans, a bronze bust of the deceased was carried

by his son.

Perhaps with exaggeration, newspapers reported that the services were as impressive as those accorded to Lincoln and Grant. Tributes to the deceased poured in from newspapers and individuals all over the world. "Never for statesman or soldier," remarked one newspaper, "was there so remarkable a demonstration of public feeling."

On November 1, at a private service, the body was interred in Greenwood Cemetery. The stone bore these words, from the late writer's greatest book:

The truth that I have tried to make clear will not find easy acceptance. If that could be, it would have been accepted long ago. If that could be, it would never have been obscured. But it will find friends—those who will toil for it; suffer for it; if need be, die for it. This is the power of Truth.¹

"The Prophet of San Francisco," Henry George, died at 58, felled by a stroke induced by his unrelenting campaign for the acceptance of his ideas and more particularly by his violation of doctors' advice that he not run for the office of mayor of New York. He died four days before election day. We do not know who the winner would have been had he lived. We do know that in the campaign of 1886, for the same office, Abram S. Hewitt, the victor, went into office with 90,552 votes; Henry George secured 68,110; and Theodore Roosevelt, then 28, trailed third with 60,435 votes.²

In those times Henry George was probably the most famous thinker, writer, and speaker in the United States. His followers claim that in its epoch more copies of *Progress and Poverty* (1880) were sold than of the Bible. It was translated into Chinese, Danish, Dutch, French, German, Hebrew, Hungarian, Italian, Norwegian, Portuguese, Russian, Spanish, and Swedish and was more widely circulated than any book ever published in what used to be called "political economy." *Progress and*

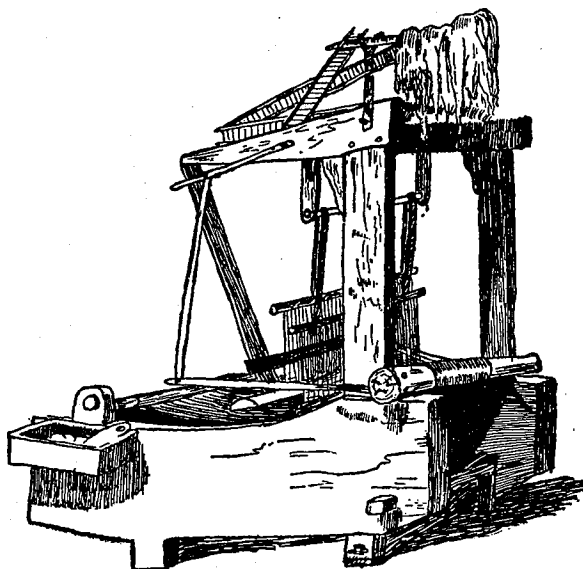
Poverty was turned out in numerous reprintings, newspaper serializations, and cheap paperback editions. The author's son, Henry George, Jr., estimated that in the quarter century before 1905 more than two million copies were sold and that the book had a larger market than the most popular novels of the day.³

What was this "truth" that Henry George had "tried to make clear"? And why does the public of today hear little or nothing about his ideas? The remainder of this paper will discuss these questions.

Progress and Poverty opened with the observation that "[T]he present century has been marked by a prodigious increase in wealth-producing power,"⁴ and went on to point out, with many examples, that with the multiplication of inventions and general advancement in the sciences and the arts, the progress one might have normally expected had not been achieved—that, if anything, "squalor and misery, and the vices and crimes that spring from them, everywhere increase as the village grows to the city, and the march of development brings the advantages of the improved methods of production and exchange." George went on to remark, "This association of poverty with progress is the great enigma of our times."

After a long, nineteenth-century style disquisition on the relationship between wages and capital (that wages are not drawn from capital, but both arise out of production) and on population and subsistence (that human material distress is not caused by growth in population, but by social factors), George entered into a classical discussion about land, labor, and capital as the factors of production and about the income from each—rent, wages, and interest. In his chapter on "Rent and the Law of Rent" the reader detects that he departed radically from either the Marxist attack on capital or the Smithian view that finds no fault with the private collection of any of these types of income. According to the Georgist view, the rent of land is in conflict with and reduces the income accruing to either the laborer or the capitalist. George adopted a Ricardian

view of the law of rent: "The rent of land is determined by the excess of its produce over that which the same application can secure from the least productive land in use." He stressed that the law of rent applies "to land used for other purposes than agriculture . . . in truth, manufactures and exchange yield the highest rents, as is evinced by the greater value of land in manufacturing and commercial cities."



He then moved into his central theme when he claimed that "[T]he increase of rent which goes on in progressive countries is at once seen to be the key which explains why wages and interest fail to increase with increase of productive power." He explained that "the wealth produced in every community is divided into two parts by what may be called the rent line," with wages and interest receiving whatever is left over after rent has been paid to the owners of the land. The lower the value of land, the larger proportion of wealth is available to labor and capital; conversely, and even though there may be a high

production of wealth, the increase in land-rents prevents the returns of labor and capital from rising correspondingly. He concluded:

Rent swallows up the whole gain and pauperism accompanies progress To see human beings in the most abject, the most helpless and hopeless condition, you must go, not to the unfenced prairies and the log cabins of new clearings in the backwoods, where man single-handed is commencing the struggle with nature, and land is yet worth nothing, but to the great cities, where the ownership of a little patch of ground is a fortune.

The next section of *Progress and Poverty*, "Effect of Material Progress Upon the Distribution of Wealth," developed the surprising thesis that progress in production, the arts, and the sciences only results in an increase in rent paid to the owners of the earth and can have no beneficial effect upon either producing laborers or capitalists.

The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living, is that with increase in productive power, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages

The mere laborer has thus no more interest in the general advance of productive power than the Cuban slave has in advance of the price of sugar . . .

The simple theory which I have outlined . . . explains this conjunction of poverty with wealth, of low wages with high productive power It explains what is commonly called the conflict between labor and capital, while proving the real harmony of interest between them

Because in the end Henry George did not advocate the elimination of private title to land, but only the public collection of land rent in lieu of all other taxes, it is unfortunate that he devoted a large section of *Progress and Poverty* to what appeared to be an assault on the private ownership of land, and even wrote in italics, "*We must make land common property.*" Of course he concluded by advocating, not the elimination of private control over land or the nationalization or collectivization of the land itself, but the socialization of economic rent from land. Owners would retain all the income arising from their labor and capital as applied to their lands; they would determine the use to which their lands would be put; but government would collect the equivalent of unearned land rent arising out of factors unrelated to owners' efforts and would terminate all other fiscal impositions on labor and capital. George proposed (his italics), "*To abolish all taxation save that upon land values,*" and he went on to contend that to remove taxation from production would be "like removing an immense weight from a powerful spring." He argued that present taxation acts like a fine or penalty which punishes the builder and producer for their temerity and that "to abolish these taxes would be to lift the whole enormous weight of taxation from productive industry."

He contended, further, that to shift taxation to land values would "open new opportunities," because "no one would care to hold land unless to use it" and "the selling price of land would fall; land speculation would receive its death blow; land monopolization would no longer pay."

George emphasized that he saw his "remedy" as applying primarily to urban and industrial land and resources, which are of high unearned value, and not to agricultural land, which is of low comparative value per acre. He argued that working farmers would have "the most to gain by placing all taxes upon the value of land" because the total imposition on comparative-

ly valueless land would be quite low, and they would be relieved of all the present taxes levied upon their houses, barns, fences, crops, and stock—and further, “the personal property which they have cannot be as readily concealed or undervalued as can the more valuable kinds which are concentrated in the cities.”

The book concluded with a ringing endorsement of liberty and justice, of the need for equal opportunity if either of these is to be achieved, and claimed:

What has destroyed every previous civilization has been the tendency to the unequal distribution of wealth and power. This same tendency, operating with increasing force, is observable in our civilization today

When shall come the new barbarians? Go through the squalid quarters of great cities, and you may see, even now, their gathering hordes! How shall learning perish? Men will cease to read, and books will kindle fires and be turned into cartridges!

These were, in essence, the principal strains of Georgist thought—support for private property and capitalism, a radical attack on the private collection of land rents, advocacy of a single tax that would be levied only on unearned land values accompanied by a removal of all fiscal burdens from labor and capital, and a vigorous defense of individual freedoms and enterprise.

Perhaps the Georgist philosophy could only have been formulated by a person such as Henry George, an American who had tasted frontier life of the nineteenth century and had compared it with life in more settled parts of the globe.

Born in Philadelphia in 1839, George sailed in 1855 as a cabin boy, bound for India by way of Australia. In India he observed at first hand the appalling extremes of wealth and poverty. Back in Philadelphia in 1856, he served for a time as a printer's apprentice, but the next year sailed for California as a ship's steward. From 1858 to 1869 he worked as printer and then as editor of newspapers ranging from the *California Home*

Journal to the San Francisco *Times* and *Chronicle*. During several months of 1869 and 1870 he was in Philadelphia and New York in the employ of the San Francisco *Herald*, and while in those cities he saw much evidence in support of his developing ideas about the strange relationship between material progress and intensifying human poverty. In 1870 he served for a time as editor of the Sacramento *State Capital Reporter* and during 1871-1875 was part owner and publisher of the San Francisco *Daily Evening Post*.

Meanwhile, his philosophy was taking definite form. In 1871 he published *Our Land and Land Policy*, drawn in part from an article he had published in the *Overland Monthly*. Six years later he began writing *Progress and Poverty*.

During the years after the appearance of *Progress and Poverty* in 1880, the reputation of Henry George grew quickly. During 1881-1882 he traveled and lectured in Ireland and England. In 1886, as we have seen, he ran for mayor of New York City; in 1887, for secretary of state of New York. In 1889, he lectured again in England and paid a visit to Paris, and in 1890 his lectures in Australia and New Zealand laid the groundwork for Georgist reforms in those countries. During his life he published a great many articles and pamphlets. His larger works, in addition to *Progress and Poverty*, were *The Land Question* (1881), *Social Problems* (1883), *Protection or Free Trade* (1892), *The Condition of Labor* (1891), *A Perplexed Philosopher* (1892), and *The Science of Political Economy* (unfinished; published posthumously in 1898).⁵

During the life and after the death of Henry George, so-called "single-tax" and "Georgist" clubs and associations sprang up all over the country, and there was hardly a state untouched by demands for reforms in accordance with the views of Henry George. His social reforms were adopted partially in Australia, New Zealand, Denmark, South Africa, Western Canada, Pennsylvania, and the irrigation districts of

California.

In part, the Russian Revolution took the wind out of the sails of the Georgist movement. Marxism not only offered a dogmatic orthodoxy, a sweeping *Weltanschauung* which would provide answers to all the problems of the world;⁶ what is more, after 1917 Marxism operated from a bastion of organized political power. That Marxism rather than Georgism became a dominant world philosophy which now controls the political processes and thinking of about half the world, and threatens to engulf the rest of it, is as much due to the political success of Marxism in seizing power as it is to any special virtue enjoyed by Marxist philosophy; but more than this is responsible for the collapse of Georgism as a viable movement.

P*rogress and Poverty* attacked the over-organization of human beings and concluded with a ringing ode to liberty. On the subject of "methods in which it is proposed to extirpate poverty by governmental regulation of industry and accumulation," Henry George argued:

. . . . the same defects attach to them all. These are the substitution of governmental direction for the play of individual action, and the attempt to secure by restriction what can better be secured by freedom it is evident that whatever savors of regulation and restriction is in itself bad, and should not be resorted to if any other mode of accomplishing the same end presents itself We have passed out of the socialism of the tribal state, and cannot enter it again except by a retrogression that would involve anarchy and perhaps barbarism. Our governments, as is already plainly evident, would break down in the attempt. Instead of an intelligent award of duties and earnings, we should have a Roman distribution of Sicilian corn, and the demagogue would soon become the Emperor.

After a moving section on the virtues of individual liberty,

George concluded, "Only in broken gleams and partial light has the sun of Liberty yet beamed among men, but all progress hath she called forth."

From the standpoint of potentiality for successful political organization, the heterodoxy of Henry George and his followers has been as disadvantageous as their individualism. They have been heretics who do not fill any conventional mold.

Catholic prelates deemed Henry George to be so contrary to established doctrine that in 1887 they excommunicated one priest, Father Edward McGlynn, because of his active support for the ideas of Henry George. The Holy Office of the Church was so upset by *Progress and Poverty* that in 1889 it ruled the book to be "worthy of condemnation," which was the next thing to putting it on the Index and meant that bishops might rule it to be forbidden reading to Catholics within their jurisdictions. Whether rightly or not, Henry George saw Pope Leo XIII's encyclical letter *Rerum Novarum*, "On the Condition of Labor," as being directed especially against land reformers such as himself and not against Marxist collectivists. In response, George wrote a long monograph, "The Condition of Labor—An Open Letter to Pope Leo XIII."⁷ But, like many other faiths, Catholicism could never make up its mind about Henry George. In a rare turnabout, the Church reversed itself about Father McGlynn and restored him to his priestly functions in 1892.

George was very strongly supported in his views by other Churchmen, including especially Thomas Nulty, Bishop of Neath in Ireland; and in 1946 the Bishop of Rio de Janeiro, Dom Carlos Duarte Costa, far from forbidding the reading of *Progress and Poverty* within the area of his ecclesiastical authority, wrote the following about the book:

After the Gospel, this is the book that I love and admire the most. It does not surprise me to learn that, after the Bible, it is the most widely published book in all the world. I think I do

not offend God when I say that *Progress and Poverty* plays in the material realm the same role that the Gospel unfolds in the spiritual world.

It is a profound book, of intense philosophical, moral and political radiance. It has simplicity and grandeur.

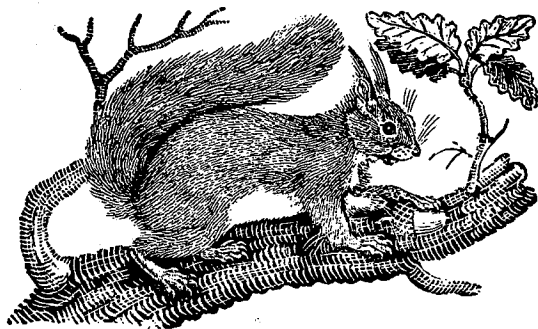
No religion has been able to condemn it, because it is supported by the most profound and noble sentiment that God has placed in the heart of man: The sentiment of justice.

And since this book, in the last analysis, preaches nothing but the application of justice to the economic activity of man, I think I can present it with this single phrase:

Here we have the Gospel of Abundance!⁸

Those who attempt to classify Henry George in the conventional left-versus-right spectrum gain no comfort from a listing of his supporters. His views found favor among individuals of the most varied possible points of view—Albert Einstein, Leo Tolstoi, John Dewey, Helen Keller, George Bernard Shaw (before he became a socialist), Albert Jay Nock, Winston Churchill (at least during his early political career), H. L. Mencken, Tom L. Johnson (Georgist member of Congress and later mayor of Cleveland), William Lloyd Garrison, Jr., William Jennings Bryan, Joseph Fels (the soap manufacturer who established the Fels Fund for the propagation of Georgist views), Frank Chodorov, and a host of others so varied that they defy easy classification.

One can no more define George in terms of his critics than of his friends. In 1881 Karl Marx wrote that the whole Georgist philosophy was "simply an attempt, decked out with socialism, to save capitalist domination and indeed to establish it afresh on an even wider basis than its present one." Henry George, on the other hand, saw Karl Marx as the "prince of muddleheads" and regarded the founder of "scientific socialism" as a "most superficial thinker, entangled in an inexact and vicious terminology."⁹ George also attracted critics from investment



circles on the right. Immediately after his death, *The Financial Times*, while lauding George's sincerity, remarked that, "From a Stock Exchange point of view, his death removes a disturbing element in American political and industrial life."¹⁰

Henry George and Herbert Spencer were in agreement regarding both Spencer's individualistic position and his early expressions on the equal rights of all to the earth, as published in *Social Statics* (1850); but, when Spencer reversed his views on the land question in *The Man Versus The State* and made critical reference to George himself, George became so exercised that he devoted a whole book to refutation of the revised views of Spencer.¹¹ George expressed his non-conformity with either Spencer's new position or that of the socialists by roundly condemning the failure of either one to offer workable solutions to the problems of social distress.¹²

Furthermore, Georgism has always been plagued by a peculiar political ineptitude never suffered by Marxism. Though he ran twice for mayor of New York City and once for the office of secretary of state, George tended to reject political involvement. He preferred to lecture and to write; in establishing so-called Henry George schools, his followers opted

for classroom activity separated from specific political results. After George's death, Henry Hyndeman, friend and socialist opponent, said, "He has died in a chivalrous attempt to accomplish the impossible without even organizing his forces for the struggle."¹³

In terms of contemporary categories, there is no home for the Georgist point of view. George combined an appeal to individualism, to freedom from political restraints, with advocacy of the public collection of unearned increment from ground rent in lieu of all other taxation. Thus, there is both a "libertarian" and a "socialist" side to Georgism—a combination which is inexplicable to people who are accustomed to conventional patterns of socio-economic thought.

George would "socialize" economic rent; but there is this profound difference between Georgism and Marxism and kindred ideologies: Whereas the socialist ideologues seek total political monopolization and control over all facets of collective and individual life, Georgists conceive of the initial step of public collection of land values as providing the basis for distributed private ownership, as liberating producers from the fetters of taxation over labor and capital, as offering a social solution that will reduce the necessity for further governmental impositions or interventions.¹⁴ They hold to the view that the governmental collection of unearned economic increment will create the basis for uncontrolled, individualistic improvement of the general social condition.

The oddity of such ideas helps to explain why the attitudes of Henry George and his social-libertarian followers have been as indigestible to the Marxist left as to the libertarian right, and to most persuasions in between.

The problem faced by Georgists and by other heterodox

thinkers is somewhat akin to that of forming an anarchist political party. People who by their natures are proponents of individualist solutions to human problems are for that reason antagonistic to effective political organization. More especially, heretic-individualists like Henry George do not lend themselves easily, or at all, to the sorts of cohesive political mass movements that are most successful in capturing political power. So, in the end, the proponents of the manipulation and control of the human race by self-chosen elites can organize for the achievement of a world after their own images, and unorthodox heretics like "The Prophet of San Francisco" render themselves powerless to change the course of history.¹⁵

¹Materials about the funeral services are drawn from Albro Barker, *Henry George* (New York: Oxford University Press, 1955), pp. 618-619; George B. Geiger, *The Philosophy of Henry George* (New York: Macmillan, 1933), pp. 77-78; and Edward J. Rose, *Henry George* (New York: Twayne Publishers, 1968), pp. 151-153. The words on his gravestone were taken from his *Progress and Poverty* (1880; New York: Robert Schalkenbach Foundation, 1971), p. 555.

²Barker, *op. cit.*, pp. 478, 617.

³Henry George, Jr., "How the Book Came to Be Written," in Henry George, *op. cit.*, pp. vii-ix.

⁴Unless otherwise indicated, all Henry George quotations are from *Progress and Poverty*.

⁵Biographical data drawn from *Funk and Wagnalls New Encyclopedia* (New York: Funk & Wagnalls, 1973), XI, pp. 102-103; Geiger, *op. cit.*, pp. 19-78; Rose, *op. cit.*, pp. 15-17 *et passim*.

⁶One must confess that there is some of this sort of thing in Henry George. He contended that vice and misery "spring from the unequal distribution of wealth and privilege" and held to the view that by finding a remedy to industrial depressions and increase of

want, he would make the world a better place to live. In contrast to the venom that Marx poured upon capitalists and all who held views slightly different from his own, George wrote in a moving and humane manner. His books are replete with friendly, even humorous references to individuals in all walks of life. His criticism of the private collection of unearned economic rent is generally depersonalized, and he did not enter into vicious attacks on landowners as a class or as persons.

⁷Both the encyclical letter of Pope Leo XIII and George's reply may be found in Henry George, *The Land Question* (New York: Robert Schalkenbach Foundation, 1953). For discussion of this exchange, see Barker, *op. cit.*, pp. 571-575; Geiger, *op. cit.*, pp. 361-372.



⁸Henry George, *Progresso e pobreza*, trans. by Americo Werneck Junior (Rio de Janeiro: Grafica Editora Aurora Ltda., 1946), flyleaf. My translation from the Portuguese. For data on Henry George's relationships with the Catholic and other churches, and his general position on religion, see, in addition to n. 7, *supra*, Barker, *op. cit.*, pp. 121, 126, 350-352, 366, 472, 476, 477, 486-491; Geiger, *op. cit.*, pp. 336-380; and Rose, *op. cit.*, pp. 125-129, 152.

⁹Barker, *op. cit.*, pp. 356 and 564; Geiger, *op. cit.*, n. 16, p. 239. Karl Marx published volume one of *Das Kapital* in 1867, thirteen years before commercial publication of *Progress and Poverty* in 1880. Volumes two and three of *Das Kapital* were published posthumously under auspices of Friedrich Engels in 1885 and 1894, six and fifteen years, respectively, after Henry George's principal work.

¹⁰Rose, *op. cit.*, pp. 151-152.

¹¹*A Perplexed Philosopher* (1892; New York: Robert Schalkenbach Foundation, 1946). See Herbert Spencer, *The Man Versus The State* (1892; Caldwell, Idaho: Caxton Printers, 1940), p. 39 *et passim*.

¹²George, *op. cit.*, p. 66.

¹³Rose, *op. cit.*, p. 153.

¹⁴Conservative opponents of the Georgist position make much of the fact that "Abolition of property in land and application of all rents of land to public purposes" was the first of ten measures listed in the *Communist Manifesto*, 1848, for the introduction of Communism. Marx explained this in the following words, in a private letter: "We ourselves, as already mentioned, adopted this appropriation of ground-rent by the State as one of numerous other transitional measures which, as also remarked in the Manifesto, are and must be, if taken by themselves, self-contradictory." Geiger, *op. cit.*, n. 16, p. 238. Marx saw the appropriation of ground-rent as one of many steps to be taken in the direction of establishing monolithic political control over all the means of production and distribution. George saw the same measure, without further steps and indeed accompanied by the elimination of all other taxation, as being sufficient to assure a widely distributed proprietorship and the foundation of unfettered individual liberty.

¹⁵The expression, "The Prophet of San Francisco," was used as a sardonic title for an article, published in *Nineteenth Century*, April, 1884, wherein the Duke of Argyll undertook a blistering attack on the theories of Henry George. See the Duke's criticism in Henry George, *Property in Land*, pp. 7-40; and George's reply in the same source, pp. 41-74. *Property in Land* is one of three selections to be found in Henry George, *The Land Question*, *supra.*, n. 7. The phrase, "The Prophet of San Francisco," was picked up by George's followers as what they conceived to be an accurate description of the man.