

Henry George: The Prophet of San Francisco (Part 1)

Why It Matters:

At one point in his life, Henry George was considered the third most famous American, behind Mark Twain and Thomas Edison. Today, he's no longer well known. Why?

By Martin Adams / November 14, 2014



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This is Part 1 of Henry George's life story. Part 2 can be found [here](#). For more information about how land reform can create meaningful work, restore our ecology, and bring more wealth into our local communities, I invite you to read my book [Land: A New Paradigm for a Thriving World](#).

“I came near starving to death, and at one time I was so close to it that I think I should have done so but for the job of printing a few cards which enabled [me and my family] to buy a little corn meal.” The young Henry George was no stranger to suffering and destitution. He was intimately familiar with abject poverty and misery. The year was 1864, and America was reeling from a civil war, yet was also at the brink of establishing itself as a worldwide industrial powerhouse; for some, untold fortunes were to be had, while for the majority of people—*millions*—one recession after another left them out of money, out of jobs, and out of homes. Economic recessions and depressions

were as much a part of reality then as they are today. The recession of 1864 wasn't the first that threw Henry George into the proverbial gutter, nor would it be the last. And as he struggled, he asked himself why economic recessions and depressions happened in the first place when society as a whole was continuously becoming more and more prosperous. He resolved to find out why.

He began a years-long deep and abiding search for the real causes of poverty. In his investigation, he left no stone unturned, no assumption unquestioned, and no established authority held sacred. During these years of grueling search, he recalled a casual remark once made by an older coworker: "in a new country wages are always high, while in an old country they are always low." He realized this observation was correct: he knew from first-hand experience that wages were generally higher in the United States and Australia than in England, and the pattern held in the newer parts of the same country—wages were higher in Oregon and California, for example, than in New York and Pennsylvania. This was the first of several key insights that began to shape an economic theory that would become so revolutionary and groundbreaking that it would be praised for its clarity and wisdom by statesmen, economic Nobel laureates, and freethinkers from around the world.

Little by little, during his dark years of searching and struggling for an answer to the seemingly unending cycles of scarcity and lack, several other unrelated experiences came together in his mind and formed a coherent model of socioeconomic reality. Once, while on a mining expedition, Henry George asked his fellow miners, who were complaining about the immigration of cheap labor from China, why they had an issue with the Chinese working the mines that were not commonly worked by Americans. The Chinese, in his view, didn't pose any competition to established miners such as the group he was with. "No harm now," responded one of the miners,

“but wages will not always be as high as they are today in California. As the country grows, as people come in, wages will go down, and some day or other white people will be glad to get those diggings that the Chinamen are working.”

Another revolutionary thought stuck with him from that day forward: with progressive economic development, wages for the lower economic classes of people don't rise in relation to the cost of living, while the higher economic classes tend to become wealthier over time. It wasn't until many years later that he—in a flash of inspiration—finally discovered the ultimate secret at the root of this widely-observable economic pattern that is responsible for most of the wealth inequality we have in our world today.

His economic explanations were so logically coherent that, in the words of his biographer, “he had not met with a single criticism or objection that was not fully anticipated and answered in the book itself. For years he debated its basic positions with anyone who cared to try, and was never worsted.”

Henry George—who at various times in his life had been a day laborer, a deckhand, a miner, a printer, and a journalist—eventually formulated his thoughts into *Progress and Poverty*, the book that became the *bestselling* book of his time. His economic explanations were so logically coherent that, in the words of his biographer, “he had not met with a single criticism or objection that was not fully anticipated and answered in the book itself. For years he debated its basic positions with anyone who cared to try, and was never worsted.”

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Prominent men and women from around the world have endorsed George and his work. Albert Einstein once remarked that “men like Henry George are rare, unfortunately. One cannot imagine a more beautiful combination of intellectual keenness, artistic form, and fervent love of justice.” [1] Helen Keller, too, praised Henry George: “Who reads shall find in Henry George’s philosophy a rare beauty and power of inspiration, and a splendid faith in the essential nobility of human nature.” [2] Woodrow Wilson, the former U.S. President, once said that “this country needs a new and sincere thought in politics, coherently, distinctly and boldly uttered by men who are sure of their ground. The power of men like Henry George seems to me to mean that.” [3] Many prominent economists to this day endorse Henry George’s teachings: Joseph Stiglitz, economist and Nobel laureate, said that “the main, underlying idea of Henry George... is an argument that makes an awful lot of sense.” [4]

In 1871, on the day Henry George experienced the revelation that was later to become systematically formulated in his first book *Progress and Poverty*, he went on an afternoon horseback ride in the San Francisco Bay area. It was on that ride that he had his sudden flash of revelation and realized the solution to his life’s most puzzling enigma—and to humanity’s most dire misappropriation. He describes it as such:

“I asked a passing teamster, for want of something better to say, what land was worth there. He pointed to some cows grazing so far off that they looked like mice, and said, ‘I don’t know exactly, but there is a man over there who will sell some land for a thousand dollars an acre.’ Like a flash it came over me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who work it must pay more for the privilege.”

There it was: whenever a population converges around a certain location, the land, of which there is only a limited supply for each location, becomes more expensive to live on; people have to increasingly pay to live on land, and this

in turn affects the entire economy. George's insight that day articulated one of the root causes not only of economic inequality, but of a great number of social ailments that still plague society today, from booms and busts to widespread unemployment, environmental destruction, urban sprawl, suburban dystopia, and rural wastelands. He was not the only economist who realized that the root cause of economic injustice was to be found in the theft of land: others before him had independently arrived at similar conclusions—specifically, in the words of Albert Jay Nock, one of Henry George's biographers, there was “the French school known as the Physiocrats, which included Quesnay, Turgot, du Pont de Nemours, Mirabeau, le Trosne, Gournay. They even used the term *l'impôt unique*—*the single tax*—which George's American disciples arrived at independently, and which George accepted. The idea of confiscating rent [i.e. sharing the value of land] also occurred to Patrick Edward Dove at almost the same time that it occurred to George. It had been broached in England almost a century earlier by Thomas Spence, and again in Scotland by William Ogilvie, a professor at Aberdeen. George's doctrine of the confiscation of social values was also explicitly anticipated by Thomas Paine, in his pamphlet called *Agrarian Justice*.”

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At one point in his life, Henry George was considered the third most famous American, behind Mark Twain and Thomas Edison. His book *Progress and Poverty* had by then sold into the millions, and he was traveling around the world, deftly expounding upon his visionary insights with the fierce passion of a man touched by a transcendent realization that he would devote the rest of his life to sharing. And yet, his renown diminished soon after his death; today, Henry George—once known as “the prophet of San Francisco”—is no

longer well known to the general conscience of the public, despite the significance of his discoveries.

This is Part 1 of Henry George's life story. Part 2 can be found [here](#).

[1] Albert Einstein's letter to Anna George De Mille, Henry George's daughter, in 1934. Reprinted from *Land and Freedom*, May-June, 1934

[2] *Land & Liberty: Monthly Journal for Land Value Taxation and Free Trade*, 1935

[3] *Woodrow Wilson: Life and Letters*, by Ray Stannard Baker

[4] October 2002 interview with Christopher Williams of the Robert Schalkenbach Foundation, published in *Geophilos*, Spring, 2003