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HENRY GEORGE

"PASSIONATE REFORMER"

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Taxes and Wealth

Sir Winston Churchill (1874-1965) believed that taxation should not just be based on the amount of wealth an individual has but also on how that wealth was acquired.

There is no chance of making people self-reliant by confronting them with problems and with trials beyond their capacity to surmount. You do not make a man self-reliant by crushing him under a steam roller. Nothing in our plans will relieve people from the need of making every exertion to help themselves, but, on the contrary, we consider that we shall greatly stimulate their efforts by giving them for the first time a practical assurance that those efforts will be crowned with success.

I have now tried to show you that the Budget, and the policy of the Budget, is the first conscious attempt on the part of the State to build up a better and a more scientific organization of society for the workers of this country, and it will be for you to say—at no very distant date—whether all this effort for a coherent scheme of social reconstruction is to be swept away into the region of lost endeavor.

That is the main aspect of the Budget to which I wish to draw your attention. But there is another significance of the highest importance which attaches to the Budget. I mean the new attitude of the State towards wealth. Formerly the only question of the tax-gatherer was, "How much have you got?" We ask that question still, and there is a general feeling, recognized as just by all parties, that the rate of taxation should be greater for large incomes than for small. As to how much greater, parties are no doubt in dispute. But now a new question has arisen. We do not only ask today, "How much have you got?" we also ask, "How did you get it? Did you earn it by yourself, or has it just been left you by others? Was it gained by processes which are in themselves beneficial to the community in general, or was it gained by processes which have done no good to any one, but only harm? Was it gained by the enterprise and capacity necessary to found a business, or merely by squeezing and bleeding the owner and founder of the business? Was it gained by supplying the capital which industry needs, or by denying, except at an extortionate price, the land which industry requires? Was it derived from active reproductive processes, or merely by squatting on some piece of necessary land till enterprise and labor, and national interests and municipal interests, had to buy you out at fifty times the agricultural value? Was it gained from opening new minerals to the service of man, or by drawing a mining royalty from the toil and adventure of others? Was it gained by the curious process of using political influence to convert an annual licence into a practical freehold and thereby pocketing a monopoly value which properly belongs to the State—how did you get it?" That is the new question which has been postulated and which is vibrating in penetrating repetition through the land.

It is a tremendous question, never previously in this country asked so plainly, a new idea, pregnant, formidable, full of life, that taxation should not only have regard to the volume of wealth, but, so far as possible, to the character of the processes of its origin. I do not wonder it has raised a great stir. I do not wonder that there are heart-searchings and angry words because that simple question, that modest proposal, which we see embodied in the new income-tax provisions, in the land taxes, in the licence duties, and in the tax on mining royalties—that modest proposal means, and can only mean, the refusal of the modern State to bow down unquestioningly before the authority of wealth. This refusal to treat all forms of wealth with equal deference, no matter what may have been the process by which it was acquired, is a strenuous assertion in a practical form, that there ought to be a constant relation between acquired wealth and useful service previously rendered, and that where no service, but rather disservice, is proved, then, whenever possible, the State should make a sensible difference in the taxes it is bound to impose.

(From *Liberalism and the Social Problem* by Winston Spencer Churchill. Hodder & Stoughton, New York, 1909.)

PASSIONATE REFORMERS

One night in 1879 an obscure writer finished a manuscript and then fell on his knees and wept in relief and joy. The writer was Henry George and the work thus produced was the now classic *Progress and Poverty* in which he set forth a sweeping proposal for social reform. His view: through a radical tax reform, society could harmonize capitalist enterprise with Christian ethics and dissolve the vast disparities of wealth and poverty created by the industrial age.

George was a self-taught man, a onetime seaman, gold miner, and journalist turned political prophet, and his views were at first dismissed by established critics. He was not dismayed and said: "This book has in it the power of truth. The professors will first ignore, then pooh-pooh, and then try to hold the shattered fragments of their theories together; but this book opens the discussion along lines on which they cannot make a successful defense."

The stubborn faith was justified by events: the book ultimately sold more than three million copies and won George international fame. Although his theory was never adopted, he exerted enormous influence as one of the great reformers of his day.

BEGINNINGS. George was the product of English, Welsh, and Scottish forebears who came to America in the 18th century. His paternal grandfather was a sea captain and his maternal grandfather a prominent engraver who prepared some of the documents signed by President Washington.

The boy was born on September 2, 1839, in Philadelphia, the second of ten children in the family of Richard George. The father was a customs house clerk and the family lived in threadbare gentility. Fortunes improved later when the father opened a small religious bookstore and publishing house; for many years he was also employed as a vestryman in the Episcopal church. The boy's early education was grounded in biblical reading and he acquired from it a "bump of reverence," which he transmuted into his ardent views on social reform.

He attended church and private schools, was briefly enrolled in a Philadelphia high school, formal education ended at nearly 14 when he went to work as clerk in an importing firm.

Richard, second son of Henry George, was a sculptor and is seen at work in his Washington Square, New York, studio. Photograph of Henry George, frontispiece, was taken in New York during his last years.

At 16 he shipped out as a foremast boy aboard the *Hindoo*, a merchant vessel bound for Australia and India.

A harsh voyage culminated in near mutiny and most of the crew were given a month's hard labor on a prison ship. The captain was George's benefactor and a family friend and the youth's loyalties were torn; he remained with the ship while recording in his journal the unjust treatment of the crew. In India he learned of still harsher realities. He wrote in his journal: "one feature which is peculiar to Calcutta, was the number of dead bodies floating down the river in all stages of decomposition, covered by crows and bromlikites who were actively engaged in picking them to pieces, the first one I saw filled me with horror & disgust."

After over a year's voyage he returned to Philadelphia and became a printer's apprentice. He haunted lecture halls and libraries in his spare moments, launching an earnest self-education effort that he continued all his life. It was said of him that he "soaked up information like the parched earth soaks rain."

By 18 he was at sea again, working a passage to California as a steward aboard the *Shubrick*. He went on to British Columbia where he mined for gold along the Fraser river; the diggings were picked clean by the time he arrived and he returned "dead broke" to San Francisco.

He became an apprentice printer in half a dozen shops, rose in two years to foreman printer of the *California Home Journal*. At 21 he invested $100 and became a partner with several others in publishing a small San Francisco newspaper, the *Daily Evening Journal*. The enterprise was a desperate struggle and George wrote to a sister that often he did not know whether the paper could survive from one day to the next. He added "What a reaching this life is, a constant stretching forth, and longing after something."

Within a few months the paper collapsed, the disaster coinciding with his ardent courtship of 17-year-old Annie Fox. She came from a family of well-to-do Irish Catholics, and her relatives disapproved of George on both religious and financial grounds. When he proposed he took 50 cents out of his pocket and said: "Annie this is all the money I have in the world. Will you marry me?" She accepted and they eloped; he wore a borrowed suit at the wedding and she brought to the marriage a Bohemian glass bottle and a recipe for black fruitcake.

They were later reconciled with her family but proudly refused any financial aid. For several years they drifted from one poor lodging to another in Sacramento and San Francisco while George scraped a living as typesetter and free-lance journalist; he wrote that he was often "forced to drudge away ... in order to supply wants but little above those of the animal." Born in those hard years were the first two of their four children. The eldest child Henry Jr., became a congressman and the first biographer of his father. Another biography of George was written by his youngest daughter Anna George De Mille. Her daughter Agnes is the famed choreographer and dancer.

JOURNALIST. George wrote some of his early newspaper pieces under the pen name "Proletarian," aptly describing his point of view. His first real notice came when he wrote an impassioned public letter denouncing the assassination of Lincoln; it was published by the *Alta California* and won him a series of assignments from that paper.

In the dual role of Alta correspondent and free-lance radical he joined an abortive expedition to aid the Juarez revolution in Mexico; the mission failed when the coast guard intercepted the ship and turned it back. Later George wrote an editorial defending the execution of Mexico's deposed Emperor Maximilian, saying: "It will teach princes and princelings to be more cautious."

At 28 he became managing editor of the San Francisco *Times;* in a hectic eight-year period that followed he was variously managing editor of the San Francisco *Chronicle*, special correspondent of the

San Francisco *Herald*, editor of the Oakland *Daily Transcript*, editor of the Sacramento *Reporter*, previously known as the *State Capital Reporter*, and editor-publisher of the San Francisco *Daily Evening Post*. He wrote also for the *Overland Monthly*, appearing there with such writers as Mark Twain, Bret Harte, Joaquin Miller.

George used the press as a political pulpit, hammering away at such themes as the rights of the working man and the inequities of monopolistic wealth. One famous article was entitled *What Will the Railroads Bring Us?* He concluded that for "those who have, it will make wealthier; for those who have not, it will make it more difficult to get." He was shaping by now what became his lifelong theme: as the nation grew more prosperous and populous he saw wealth and power becoming ever more concentrated while ordinary people experienced no improvement or were left even worse off than before.

His attacks on monopoly were so stinging that the Central Pacific Railroad bought one newspaper just to get rid of George as the editor. Shortly he was battling also against press monopoly; as a special agent of the San Francisco *Herald* he went to New York and tried singlehandedly to break the stranglehold by which the Associated Press served favored clients while refusing to sell to their rivals. George arranged with an old newspaper friend to obtain purloined AP dispatches and wired a daily news digest to the *Herald;* the arrangement ended when AP flexed its economic muscle and Western Union denied George its facilities. As he left New York defeated, George observed ironically: "I am doing well for a young man . . . I have already got the Central Pacific, Wells Fargo, and Western Union down on me, and it will be just my luck to offend the Bank of California next."

Back in San Francisco George took a brief fill-in job, substituting for a sick friend as editor of a Catholic weekly. Surprised readers found the paper suddenly converted to a militant spokesman for Irish grievances against the English, described by George as the "Hanglo-Saxons."

At 32 George joined with two partners in founding the San Francisco *Daily Evening Post*. It was the first penny newspaper west of the Rocky Mountains and signified George's determination to reach out for a mass audience of working people; to publicize the first issue he persuaded a bank to circulate 100,000 newly minted copper coins. George served as the chief voice of the paper for four years, then left as the publication floundered on financial problems and quarrels between the partners.

Temporarily at loose ends he took a job as a gas meter inspector and found a new political outlet as a public speaker. He gave several powerful orations repeatedly over the years; one speech was entitled *Moses* and drew on biblical allegory to summon his own vision of a 19th century promised land.

Said George: "Everywhere in the Mosaic institutions is the land treated as the gift of the Creator to His common creatures . . . Everywhere it is not your estate, or your property, not the land which you bought, or the land which you conquered, but

George, left, poses with daughters Anna, his youngest child, and Jennie. Mrs. George, holding infant Henry Jr., above, was born in Australia. She met George in San Francisco at her 17th birthday party.

From top: a newspaper engraving shows George campaigning for the office of mayor of New York in 1886; a campaign button with his emblem as a crowing rooster; a band from a brand of cigar named for him; a caricature published after his 1886 defeat, which evokes the strong opposition he faced from Protestant and Roman Catholic adversaries of his philosophy.

'the land which the Lord *thy* God giveth thee'—'the land which the Lord lendeth thee.'" In invoking such religious doctrine George added: "I ask not veneration of the form, but recognition of the spirit" of Mosaic tradition.

He also aspired to a teaching post at the University of California, but lost that prospect after giving one invitation lecture. He informed an astonished university audience that "All this array of professors, all this paraphernalia of learning, cannot educate a man. They can but help him educate himself." He added: "A monkey with a microscope, a mule packing a library, are fit emblems of the men —and, unfortunately, they are plenty—who pass through the whole educational machinery, and come out but learned fools."

ADVOCATE. In the 1870s George's views evolved from random radical sentiments to a full-fledged theory of social and economic reform. For the remaining 20 years of his life, he was an ardent apostle of that doctrine, carrying the message throughout the United States, to Europe and to Australia and New Zealand.

His central theme was that population growth and economic progress entail an ever-growing scarcity of land; thus the idle landowner reaps undeserved profits at the expense of the productive factors of labor and capital. His proposal was "the single tax," a levy on land rent that would strip away the landlord's privilege, restore genuine competition to the marketplace, and abolish the necessity for all other taxes. Somewhat similar land tax views had been advanced earlier by the French physiocrats and the English economist David Ricardo but in George's hands the theory took on a new and radically different thrust; he saw the land tax as an instrument for overthrowing an entrenched monopoly and returning to the simple democratic ideals of Jefferson or Jackson.

The idea that land was the key element came to George as a half mystic "illumination" while he was galloping through the California countryside in 1870. The next year he produced *Our Land and Land Policy*, a 48-page tract that set forth the germ of his evolving theory. In 1877 he began writing his master work *Progress and Poverty;* he was himself re-

duced to poverty and was near physical and mental exhaustion when he finished the book 18 months later.

He sent the manuscript to the New York publisher D. Appleton & Co. and received a rejection; an editor commented that the work "has great clearness and force but is very aggressive. There is very little to encourage the publication of any such work at this time."

George persisted stubbornly, finally persuaded the company to publish it by paying the main cost himself, the making of the plates; to defray the cost he reverted to typesetting and ran off a limited "author's edition," which he peddled to friends at $3 a copy. When the standard edition appeared, it was at first neglected by critics but within a year it had become a publishing sensation; it was serialized by leading newspapers in the United States and Great Britain and a paperback version outsold the popular novels of the day.

There followed a steady stream of other works as George expanded his views and waged lusty combat against both the inequities of the industrial age and the wayward notions of other reformers. His works included *The Irish Land Question* (1881), *Social Problems* (1883), *Protection or Free Trade* (1886), *The Condition of Labor* (1891), *A Perplexed Philosopher* (1892). At his death he left an unfinished manuscript that was published as *The Science of Political Economy* (1898).

In 1881 he visited England and Ireland as a special correspondent of the *Irish World;* in Ireland he was arrested as a political subversive. During the next few years he made several lecture tours of Great Britain, visited France, and spoke in Australia and New Zealand while on a world tour.

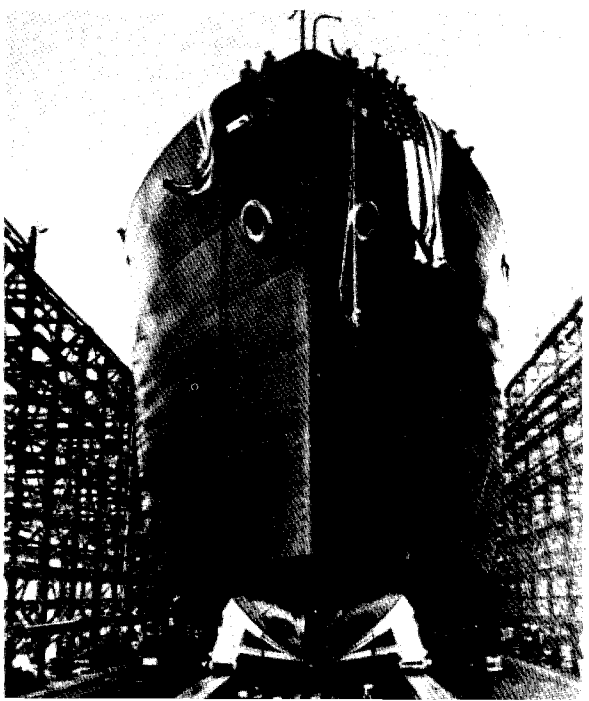
He exerted an immense influence on social reformers of the day: Denmark adopted his land tax in revised form, and Sun Yat-Sen proclaimed George's proposals as the basis for a new China. Leo Tolstoy found George's arguments irrefutable and George Bernard Shaw said that reading George converted him to "social salvation" through economic reform. Shaw added: "When I was swept into the great Socialist revival I found that five-sixths of those swept in with me had been converted by Henry George."

Among American followers was Dr. Edward Taylor, George's physician and personal friend who later became mayor of San Francisco. Another was Surgeon-General William Gorgas, the medical crusader who cleansed the Panama Canal Zone of yellow fever. Gorgas became an ardent supporter of George's views, believing that they would provide an essential base for large-scale public health reform.

Ironically George helped to popularize socialism while himself rejecting it; he argued that "society is not a machine" and he distrusted concentrated power whether in government or business hands. He also dismissed philosopher Herbert Spencer's doctrine of inevitable social evolution and maintained that society could either evolve or degenerate according to the efforts exerted by its members. To George a reliance on evolution was merely an excuse for inaction; in *A Perplexed Philosopher* he challenged Spencer to explain why such ancient civilizations as China and India were still caught in poverty and misery.

In his own theories George tried to reconcile individual and collective needs and also sought some middle ground between material and spiritual motives; basically he was in the populist tradition of a pragmatic idealist. His view was often shrewd and practical but on the subject of land reform he was

Noted choreographer Agnes De Mille, founder of The American Heritage Dance Theatre, is George's granddaughter. Below, a World War II Liberty Ship the Henry George *is being launched.*



Bust of George in a Copenhagen park. Denmark, one of the countries to pay heed to his ideas of social reform, adopted a revised form of his land tax.

swept away by his own missionary enthusiasm, declaring in one passage: "*We must make land common property*. In nothing else is there any hope." Later he noted: "It is not necessary to confiscate land; it is only necessary to confiscate rent." In another passage he proclaimed that the "simple yet sovereign remedy" would "raise wages, increase the earnings of capital, extirpate pauperism, abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals, taste, and intelligence, purify government and carry civilization to yet nobler heights."

George's movement helped to inspire the homestead laws, which gave settlers priority over speculators during the last frontier stage of American history. His views have been reflected in numerous other land and tax policies adopted in countries as varied as the United States, Israel, and the Union of South Africa.

His continuing influence is reflected in the Henry George Schools of Social Science. The first such school was established in New York in 1932 and there are now more than a dozen in the United States, Canada, England, Australia; among the principal schools are those at New York, San Francisco, Boston, and London. Another heritage is the Robert Schalkenbach Foundation, established in New York in 1925 to promote the study and teaching of George's work.

LAST YEARS. Fame had no effect on George; he remained an intense, earnest, rumpled man who cared nothing for his appearance or comfort and was totally absorbed in his passionate ideas. He went about attired in a battered hat and a coat sprinkled with cigarette ash. When absorbed in writing, he could be totally absentminded: once at dinner he ate his way through a huge bowl of his favorite stewed tomatoes and then asked with some asperity why no one had passed him the stewed tomatoes.

He was usually gentle in his personal manner but could become fierce when his sense of right conduct was outraged; he once knocked down a man who insulted his wife. In a more typical mood he also took a day off from a crowded schedule and searched all over the city for a shop that could repair his daughter's broken doll. His relationship with his family was always warm and close: on the 23rd wedding anniversary he was away from home and he wrote Annie that since they were still poor he could send her only a love letter.

Friends were drawn to him by his qualities of courage, generosity, and human sympathy; although he disputed his theories with tenacious zeal, he never carried arguments into personal bitterness. A servant described him as the kindest man she had ever known.

He remained a crusader until the end: he spent his last years in New York and there became a personal symbol of the reform movement and twice a candidate for mayor of New York City. The first such campaign was in 1886 and a Tammany emissary tried to dissuade him: "You cannot be elected but your running will raise hell." George replied: "You have relieved me of embarrassment. I do not want the responsibility and work of the office but I do want to raise hell." He finished a surprisingly strong second in a three-candidate race, outpolling an ambitious young Republican named Theodore Roosevelt. Some of George's supporters believed that he actually won the election but was "counted out."

In 1890 George suffered a stroke but resisted medical advice that he cut down his rigorous schedule. In 1897 he again overruled his physician's plea and agreed to enter another New York mayoral campaign. By the closing week of the election he was obviously an exhausted and stricken man but he would not cancel a scheduled rally. He said: "These people have come because I promised to speak to them. So long as I can speak I shall speak."

In what proved his last appearance he mounted the platform with trembling steps and someone in the audience cried: "Hail, Henry George, friend of the laboring man." George shook his head, rejecting the designation. "I am for *men*," he corrected. "Labor does not want special privileges. What I stand for is the equal rights of all men." That night on October 29, 1897, aged 58, he died of a stroke.

At the funeral service, New Yorkers came by the tens of thousands to bid him farewell; the procession that passed by his coffin was compared to that for Abraham Lincoln. When George's eulogy was read, the audience shattered all funeral tradition by breaking into a last round of spontaneous applause for the old campaigner. In the press his passing was mourned by friends and foes alike and the New York *Sun* wrote for him a fitting epitaph: "Today the earth loses an honest man."