THE TAX TO END ALL TAXES

Where Is Henry George Now That We Need Him?

by David Hapgood
Henry George was born in 1839 to a middle-class Philadelphia family. His father, a clerk in the customs house who had published religious books for some years, was a strict Low-Church Episcopalian. Young George was rebellious from the start. Just before he turned fourteen, he dropped out of school, where he later said he had only "wasted time," and never went back. A passing interest in phrenology led him to analyze his character by the shape of his skull. (Fifty years after his death, his granddaughter, Agnes De Mille, the choreographer, wrote that elderly people who had known George would ask her to remove her hat so they could observe the formation of her head.) Some of George's self-observation through skull-bump analysis accurately forecast his adult life: "...generally takes sides on every contested question... is inclined... to push his projects with so much energy and zeal as to appear rash and nearly destitute of caution... has an insatiable desire to roam about and see the world..."

At sixteen he shipped out as a foremast boy on the Hindoo, an East Indianman carrying lumber around Cape Horn to Australia. The round trip, which took the Hindoo to Calcutta to pick up a cargo of rice and seeds, lasted fourteen months, and George came home with a net of fifteen dollars and a pet monkey. For the next couple of years he worked in Philadelphia as a printer's apprentice, but the pay was low and the work unsteady. He had boarded from a friend in Oregon of the high printers' wages in the new lands of the West, and he was finding family discipline increasingly irksome. In 1858, when he was nineteen, George went to sea again, this time on a ship bound for California, with no intention of making the return journey. He jumped ship in San Francisco.

Henry George landed in California just ten years after the great Gold Rush had begun. It was an incredible new country whose wealth in rich farm land, it was already evident, exceeded even the value of its precious minerals. There should have been enough for everybody, and for a brief time in the 1849's and early 1850's there had been; because good land was cheap, employers had to pay higher wages than in the now-old East to attract labor away from farming. But soon power and land and wealth were concentrated in a few hands, wages fell, and the gulf between those who had and those who had not opened up in faithful duplication of humanity's experience elsewhere.

Land was the key to wealth—and poverty. By the end of the 1860's, through massive federal and state grants, railroads, large-scale farmers, and speculators had acquired much of the new state's most valuable property: almost half the land available for agriculture was owned by one five-hundredth of the population. The owners held their land off the market, knowing its price could go nowhere but up, and new settlers, unable to buy land, had to work for lower wages. The drama was in the deposits of California gold and Nevada silver, but in the words of a contemporary account, "chiefly it was the holders of real estate that made the greatest fortunes." The ups and downs were extraordinary, for history in the California of those days unraveled at the demented speed of an early silent movie: what took generations in the East, and centuries in the Old World, happened in California within the span of Henry George's life. George Bernard Shaw later said about George that "Only an American could have seen in a single lifetime the growth of the whole tragedy of civilization from the primitive forest clearing."

This California was to be George's home for the next twenty years. Gold was still being discovered around the West, and soon after his arrival George set out for the latest reported strike, on the Fraser River in British Columbia, in the first of three unsuccessful mining ventures. Back in San Francisco, he found work as a printer at sixteen dollars a week, but nine dollars went for room and board at the respectably all-male What Cheer House, which, he wrote home, had a good library. The job was the first of many: the times were restless, and George was a particularly restless man.

In 1860, at twenty-one, he cast his first vote—for Lincoln (but, like Californians in general, he did not take part in the ensuing Civil War). A year later he married Annie Fox, an Australian-born orphan. The marriage was close and lifelong, and they had four children. George evidently enjoyed their respect, since two of them wrote biographies of their father and a third sculpted his bust. In their accounts, Henry George as parent comes through as impassive but affectionate, interested but absent-minded.

The first years of married life were hard. George kept losing or leaving jobs, his ventures in the printing business were all wrecked in the recurring storms that afflicted California's economy, and the family moved so often that, he observed, they seldom had to clean house. One of George's failures, a job-printing firm he started on a shoestring with two partners, left the couple—with one child, and a second on the way—in particularly difficult circumstances. On Christmas Day, 1864, George wrote in the diary he intermittently kept: "Felt that I am in a bad situation, and must use my utmost effort to keep afloat and go ahead. ... Saw landlady and told her I was not able to pay rent." Mrs. George sold all her jewelry except her wedding ring, and persuaded the milkman to provide milk in exchange for printed cards. George recalled that "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 purchasing a few cards which enabled us to buy a little corn meal. In this darkest time in my life my second child was born. There was no food in the home, and George went out on a desperate search for money. As he described it, "I walked along the street and made up my mind to get money from the first man whose appearance might indicate that he had it to give. I stopped a man—a stranger—and told him I wanted five dollars. He asked what I wanted it for. I told him that my wife was confined and that I had nothing to give her to eat. He gave me the money. If he had not, I think I was desperate enough to have killed him."

George never had to kill anyone, for he soon began picking up enough work as a substitute printer to support the family, though he was in and out of debt for many years. The privation that he had undergone when unable to find work in wealthy California had a profound effect on his thinking, as soon became evident, because around this time George began to write. His first published effort was a letter to the editor of the Journal of the Trades and Workmen in which he asked if it were possible to "check the tendency of society to resolve itself into classes who have too much or too little," a question that was to be his lifelong concern.

Another piece, a rather feverish editorial on Lincoln's assassination, got George his first reporting assignments. He began attending political meetings, at one of which he spoke out in favor of free trade, the subject of one of his later books. Soon he was a typesetter, then a reporter, and finally a managing editor of the San Francisco Times, a job that lasted until August, 1888.

Later that year the San Francisco Herald sent George to New York to try to arrange for wire news service. The experience left a deep impression. George got a firsthand lesson in how the game of monopoly was played. The Associated Press, then the only wire service, refused the Herald's application, and when George enterprising started an independent news service, the AP arranged for Western Union, also a monopoly, to raise its rates for news transmission high enough to put the interloper out of business. The city taught him other lessons, too: "The contrast of luxury and want that I saw in New York appalled me, and I left for the West feeling that there must be a cause for this, and that if possible I would find out what it was."

Back in California, George found his answer. Out riding in the hills near San Francisco, he "asked a passing teamster...what land was worth there. He pointed to some cows grazing off so far 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 [then an outlandish price for farm land].' Like a flash it came upon 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. I turned back, amidst quiet thought, to the perception that then came to me and has been with me ever since."

In 1871 George put his "perception" into a forty-eight-page pamphlet, Our Land and Land Policy, State and National, which sold a thousand copies locally and added to his modest reputation in California. Shortly thereafter he had his first unhappy brush with the academic world, a harbinger of the low esteem in which each would hold the other in later years. The new University of California at Berkeley had decided to set up a chair in political economy, and George was asked to deliver a lecture with the thought that, despite his lack of proper credentials, he might be chosen for it.

With his usual willingness to do battle against both odds and his own self-interest, George uncorcked a lecture that guaranteed he would not get the job. After castigating the professors for having "given to a simple and attractive science an air of repellent abstruseness and uncertainty," he went on to tell the students: "You do not even need textbooks nor teachers, if you will but think for yourselves.... Here you may obtain the tools; but they will be useful only to him who can use them. 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...."

Within the family, George disapproved of homework for his children, and years later, when his eldest son had to choose between a Harvard scholarship and a newspaper job, his father advised the latter, on the grounds that Harvard would leave "much that will have to be unlearned."

George now devoted most of two years to writing Progress and Poverty, the book that was to make him a world figure. These were the "Terrible Seventies," a time of bank failures and bankruptcies; the family lived hand to mouth on his occasional earnings from fees as a gas-meter inspector and from a few lecture engagements. (Most of his lectures were on land or free trade or politics, but one, which he often repeated in later years, was on Moses.) George went deeply into debt, and at one point he had to pawn his watch, but he was determined to complete the book. Later he recalled that "when I had finished the last page, in the dead of night, when I was entirely alone, I flung myself on my knees and wept like a child." George sent the manuscript to New York in early 1879 and got two rejections: D. Appleton & Co. found it "very aggressive" and to Harper's it was "revolutionary." George decided to publish it first himself; a friendly printer in San Francisco offered to make the plates, and George himself set some of the type.

Progress and Poverty is long and rambling, but often soaring in its eloquence. George's style is more biblical than economical; this was before economics had to be written in numbers rather than words. Along the way, George offers his critique of classical economic doctrine, delves into world history, and concludes--eccentrically, by current standards of economic writing—with a theological chapter on "the problem of individual life." The subject of the book is summarized in the subtitle: "An inquiry into the cause of industrial depressions and of increase of want with increase of wealth...the remedy."

The "cause" lies with the landowner. Man is entitled only to the fruits of his own labor, but the holder of land, unlike the worker and the capitalist, makes no contribution to wealth: he simply charges others for the use of what was made by nature and which he happens to possess, usually by theft or conquest. Land has value only when it is scarce. When land is abundant, as in early America and early California, no one has to pay for it, there are no landlords, and each person is rewarded according to his effort and

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his ability. The value of land rises, not through any contribution by its owner, but because more people need more space; because the growth of a community enhances the value of strategically located property; and because of speculation.

The parasitic landlord’s share, his "economic" rent—not for any buildings he may put up, but for the bare, natural land itself—can only increase at the expense of the true producers, labor and capital (itself the product of past labor), which George saw as common victims rather than natural antagonists: "When non-producers can claim as rent a portion of the wealth created by producers, the right of the producers to the fruits of their labor is to that extent denied." And when the owner holds his land out of production, waiting for a better price, land use is distorted because people have to move farther out to find space to work and trade and live—sprawl is what we call it today. Poverty comes with progress. Ultimately, the rough equality of preindustrial times gives way to the extremes of rich and poor, and, in a passage that suddenly jerks us back to today’s newspaper: "Upon streets lighted with gas and patrolled by uniformed policemen, beggars wait for the passer-by, and in the shadow of college, and library, and museum, are gathering the more hideous Huns and fierceer Vandals of whom Macaulay prophesied."

In George’s view, a landholder had no more right to charge rent for land he did not create than he would to monopolize the air and charge others for the right to breathe. This is how George put it: "If we are all here by equal permission of the Creator, we are all here with an equal title to the enjoyment of his bounty—with an equal right to the use of all that nature so impartially offers. This is a right which is natural and unalienable; it is a right which vests in every human being as he enters the world, and which during his continuance in the world can be limited only by the equal rights of others. . . . There is on earth no power which can rightfully make a grant of exclusive ownership in land. . . . What are we but tenants for a day? Have we made the earth, that we should determine the rights of those who after us shall tenant it in their turn? . . . Though the sovereign people of the state of New York consent to the landed possessions of the Astors, the plainest infant that comes wailing into the world in the squallest room of the most miserable tenement house, becomes at that moment seized of an equal right with the millionaire’s. And it is robbed if the right is denied."

The absolute ownership of land and other resources of nature is the equivalent of chattel slavery, and a more common evil. Slavery grows up where, as in the early American South, the land is so abundant that free laborers can have it for themselves instead of working for others. Whenever land is scarce enough to be monopolized, however, laborers will be forced to "a condition which, though they be mocked with the titles and insignia of freedom, will be virtually that of slavery." In the extreme case (here one thinks of Hawaii after the American missionaries and traders had appropriated all the land): "Place one hundred men on an island from which there is no escape, and whether you make one of these men the absolute owner of the other ninety-nine, or the absolute owner of the soil of the island, will make no difference either to him or to them. In the one case, as in the other, the one will be the absolute master of the ninety-nine. . . ."

Henry George’s greatest originality lay in his "remedy." He rejected the usual alternatives of dividing up or nationalizing the land. The first was unworkable and superficial. The second violated both George’s profound belief in free enterprise (as long as its fruits were earned) and his equally profound distrust of government. The remedy was to allow private ownership of land, but for society to collect the unearned rent on that land through taxation: "It is not necessary to confiscate land; it is only necessary to confiscate rent." The rent to be "confiscated" was the amount the owner could collect by renting out unimproved land, or if he had improved or built on it, the portion of the rent attributable to the land alone; he would not be taxed on the improvements, because those were products of his own effort. Thus society would recapture the land values society itself had created, and the owner would be forced to put his land to its best use or give it up; hoarding land would no longer pay. Furthermore, the rent, or tax, would be enough to pay all the expenses of government so that neither labor nor capital need be taxed on their just earnings. This was the "single tax" that became glowed to Henry George’s name. George believed it "would enormously increase production; would secure justice in distribution; would benefit all classes; and would make possible an advance to a higher and nobler civilization."

Such was the message Henry George wanted to preach. When the commercial publication of Progress and Poverty was finally assured, George boldly moved to New York, without money or job, to launch his book and his cause. As a later chronicler of the single-tax movement, the historian Arthur N. Young, observed: "Scurdness anything in the history of social reform movements is more remarkable than the spectacle of this unknown California printer setting foot in New York City in 1880, poor in pocket, equipped solely with a book and the consciousness of a message, to become the founder of a new world-wide crusade against world-old evils." The author himself professed the utmost confidence, writing to his eighty-one-year-old father in Philadelphia that "it will ultimately be considered a great book, will be published in both hemispheres, and be translated into different languages."

A against all odds, George was right. Within a year Progress and Poverty was widely noticed and began to sell as no book on political economy had ever sold before. It was published in England, and eventually it was translated into more than a dozen languages, including Chinese. Unknown on his fortieth birthday, at forty-two the California printer was on his way to world fame. His short, stocky figure, with reddish beard and high-bounding forehead, became familiar on the lecture platform. In 1881 George went to England and Ireland on the first of many lecture tours; he was also the correspondent of the New York Irish World. The Irish, and English radicals opposed to the exploitation of the Irish by English landlords, were particularly receptive to his views on land. Shaw, who dropped in on one of George’s lectures by accident, credited the event with making him a socialist, and most of the members of the reform-socialist Fabian Society came there by way of an earlier exposure to Henry George.

By 1884 George was churning out articles, writing his next book, Protection or Free Trade?, and lecturing to working-class audiences, many of whom had read the cheap edition of Progress and Poverty. His working-class support led to his race for mayor
of New York in 1886. Although Samuel Gompers, head of the newly founded American Federation of Labor, was one of his converts, labor was less interested in the single tax than in the idea that George was the only person who had a chance of defeating the dreary offerings of the two-party system. George didn't particularly want to be mayor, but he saw an opportunity to "raise hell." When the union leaders approached him, he said that, as a guarantee against "ignominious failure," he would only run if they could produce thirty thousand signatures on a petition, a huge number at the time. The unions collected thirty-four thousand signatures, and Henry George formally accepted the nomination at the Great Hall of Cooper Union. The Democrats coughed up a relatively respectable figure, Abram S. Hewitt, and the Republicans nominated a rising young patrician politician named Theodore Roosevelt.

Now, Henry George in public office, mayor of the nation's leading city, was quite a different matter from Henry George in the bookstores and on the lecture platform. Wealthy and landed interests joined against such a clear and present danger. All the press was against George, except the Irish World and the German-language Volkszeitung, a socialist paper, though some reporters on the major papers moonlighted without pay on a pro-George campaign paper called The Leader. The Republicans were advised to withdraw Roosevelt in order to prevent George from winning, for if he did, in Hewitt's words, they might as well "go out onto Henry George's unoccupied lands and hang themselves."

George ran vigorously, speaking to enthusiastic street crowds from the tailboards of carts. But in those days when each candidate had to supply his own watch over the vote counting, he suffered from a fatal handicap that had been diagnosed earlier by a Democratic party worker: "How can George win? He has no inspectors of election." On Election Day, the returns showed George second, with 68,110 votes, only twice his number of petition signatures. Hewitt, the Democrat, came in first with 90,559 votes, and Roosevelt was third with 60,455. The consensus was that the election had been stolen, like others in the city's history, and an expert in the field, Tammany boss RichardCroker, later commented: "Of course they could not allow George to win. It would upset all their arrangements."

George's defeat foreshadowed his consistent failure to translate mass support into either political victory or change in the tax system. A year later the nascent Georgist political movement fell apart, with the socialist faction proclaiming that "the burning social question is not a land tax, but the abolition of all private property in instruments of production." The split was inevitable. Both shared a commitment to the ideal of equity, but George the individualist and believer in Adam Smith's free market could never agree with Karl Marx, another contemporary prophet, that state ownership was the way to get from here to there. Certainly the two had little use for each other. Marx dismissed George as "the capitalists' last ditch," while conceding, rather surprisingly, that "he is otherwise a writer of talent (but to have talent is a Yankee characteristic)..." George considered Marx "a most superficial thinker, entangled in an inexact and vicious terminology" and "the prince of muddleheads."

George remained active for the eleven years of life left to him after the 1886 election. His lecture tours took him as far as Australia, which, then and now, practices a diluted form of his land-value tax. (The full "confiscation of rent" exists nowhere.) On the way to Australia he stopped off in California, where local observers commented wonderingly on the world renown achieved by their own "little Harry George." His writing was prolific. From 1887 to 1892 he edited the Standard, a weekly platform for his opinions. Having become embroiled in dispute with the Catholic Church over its disciplining of Edward McGlynn, a priest who supported him for mayor, George wrote, in 1891, An Open Letter to the Pope, a reply to the papal encyclical Rerum Novarum, in which he took Pope Leo XIII to task for his support of property rights in land. Whenever George could find a free-trade candidate, he campaigned for him.

George's life and personality do not seem to have been transformed by his sudden rise from obscurity to fame. Since he never held on to money, his family's life-style remained modest, though not impoverished as in the earlier years. Although single-mindedly devoted to his beliefs, George was free of the hatred that disfigures so many true believers; he showed no vindictiveness toward his opponents, and he did not go around preaching "hang the landowners." Always physically active, he learned to ride a bicycle at fifty-two, and thereafter would drag his family and friends out biking in Central Park.

In 1897 George was persuaded to run again for mayor of New York. On October 29--in the middle of the campaign--he died suddenly of apoplexy. He was fifty-eight. His massive funeral called forth tributes from friend and foe: as with most radicals, Henry George became praiseworthy once he was safely buried.

The single-tax movement survived George as a significant political force for about twenty years. In the first two decades of this century, single-taxers fought--and lost--referendum battles in several states and cities. The issue was fought four times in Oregon alone, the single-taxers being financed by Joseph Fels, a soap manufacturer who gave a total of $175,000 to "put the single tax into effect somewhere in the United States within five years."

The massive influence of Henry George and Progress and Poverty in awakening interest in social reform was diverted toward targets other than his land tax, for, as George himself noted, most people had other, more pressing goals. George was fated to be a kind of John the Baptist for other prophets preaching different and often contrary messages. Many of the Americans George had inspired backed into the Progressive and Populist movements, and the goal of removing unearned profit from landholding was lost. The Georgist movement faded away to the margins of history, where it remains today--a sort apart rather than a serious force, dedicated more to preserving his memory than to implementing his beliefs.

Yet interest in the ideas Henry George expounded has been rising in recent years. That interest spans the range from his method of taxing land to his philosophical view of humanity's relation to nature. Many economists and urban experts, though they do not often invoke his name, now believe he was right about taxing land rather than the improvements on the land. Shifting the property tax (which now taxes both equally) all or mostly onto the land itself would benefit both the decaying city and the
vanishing countryside. The tax would act on the landowner as both stick and carrot. In and around the cities, where vast amounts of potentially valuable land are vacant or underused, a high tax on land value would force the landowner to put it to its most economic use, while less or no tax on buildings would reduce or remove the present penalty he pays for improving the property. This is land that, being strategically located in terms of transportation, should be used intensively; that's why a city grew up there in the first place. Since there is only so much demand for factories and stores and homes, the more intensive use of the best-located land would reduce the pressure on outlying areas. Thus, in the country, the land tax would discourage the phenomenon of sprawl, so costly in land and energy and money, and save some of the acres now disappearing under the suburban bulldozer. Some, not all people have to live and work somewhere, so the most desirable land now farmed (and often in fact held for speculation) would go to other, more intensive uses. But because the high tax on the most valuable land would encourage thrifty use of it, much larger amounts of land would be saved for open space or agriculture.

The patterns of land use, which in large measure shape our lives, would become more varied—more intensive use here, more open space there—in place of the even spread of the usual suburb. Less land would be used, and other great savings would result: fewer highways, fewer utility lines, less fuel spent on auto travel, less air pollution. This sort of human settlement lends itself to mass transit—an obvious goal of any rational energy-saving policy—and a variant of George's land tax would provide the means to pay for it. Any new transportation line causes an increase in land value along its routes that often exceeds the cost of its construction. This windfall is completely unearned by the property owners who receive it; this, in fact, a dramatic case of community-created land value. A Georgist would look to that windfall, not to taxes imposed on the general public, as the best and fairest source of money to pay for new transportation lines.

In less strictly economic terms, George's vision of assuring both freedom and fairness in access to natural resources is particularly appealing today. Any reader of Progress and Poverty can figure out how George would answer the pressing questions of our times. Instead of trying to prevent pollution by regulation, he would tax polluters heavily enough to motivate them to clean up their messes. He would allow private enterprise to mine minerals and oil and other fossil fuels, but he would tax away that part of the profit due to exclusive access to the gifts of nature. Doubtless he would apply the same principle in the developing debate over mining the ocean floor, taxing in this case for the benefit of all humanity—an attractive alternative to mining for the benefit only of multinational monopolies or authoritarian governments or incompetent international agencies. Beyond that, George's view of the world around us as a trust to be preserved rather than a conquest to be looted is in harmony with our growing awareness of the limits of nature. In this most profound sense—that we are all tenants on this earth, and owe rent for how we use and misuse it—Henry George speaks to the present and the future equally eloquently as he did to the past.