CHAPTER 3

PROGRESS AND POVERTY AND ITS INITIAL IMPACT

In 1869, at the age of thirty, George came briefly to New York to establish an Eastern service for the *San Francisco Herald.* This goal was defeated by the connivance of the Associated Press with Western Union, which prevented him from sending dispatches home.

His visit, however, brought about a crisis in his thoughts that transcended the failure of his assignment. He was appalled at the destitution which he found in the greatest city of the Western Hemisphere. The baffling contrast between wealth and miserable poverty confronted him here much more strikingly than in San Francisco. Not too far from sumptuous houses lay the pitiable tenement districts where huddled women and children worked for sweatshop wages, and the alleys harbored tramps whose final refuge was the police station.

Material progress had obviously done no good here. George did not know what caused the poverty, but the question gnawed at him unceasingly.[1]

One day, while taking a walk, in a sudden vivid, deep, inexplicable moment, he made a silent vow to find out.

"Once in daylight in a city street," he wrote years later, "there came to me a thought, a vision, a call—give it what name you please. But every nerve quivered. And then and there I made a vow. Through evil and through good, whatever I have done and whatever I have left undone, to that I have been true."[2]

The burning resolve to which he was impelled was to discover why there was poverty in the midst of plenty, and if possible find the remedy.

Soon, afterwards, having returned to San Francisco, he was riding in the hills above Oakland one afternoon, when he inquired of a passing teamster the worth of the bare, scrubby countryside spread beneath them. "I don't know exactly," said the man, "But there is a man over there who will sell land at a thousand dollars an acre."

George instantly felt that this answer bore a relation to the question of poverty and low wages which had been tormenting him. It was evidently the population growth in the neighboring metropolitan district that caused even bare acres nearby to soar in value, forcing men who needed to work on the land to pay more for the opportunity.

This flash of economic vision was sharpened for him by the situation all around him. In the West of that day there was a frontier life lavish with land speculation. The new railroads struck across the country, flinging down value upon land wherever they went—a gain either kept by the railroads themselves, or presented carelessly to first bidders.

In California, the new state's fertile valleys, its spacious harbors, its gold, were an invitation to speculators, unregistered squatters and rapidly working entrepreneurs of all kinds. Swarms of mining prospectors and tradespeople obtained government land almost for nothing. The public domain of San Francisco that could have supported millions had been deeded to a relative few; the best arable river lands, under the hypocritical title of "swamp lands," had been sold to ranchers for a song.[3]

Henry George did not look upon these conditions as merely local. He saw the West as a vast open laboratory, where a process overlaid and hidden in the maze of older industrial societies was here laid bare in a maplike view. He grasped what struck him as a universal principle, implicit in all speculation in land.

"Like a flash it came upon me that there was the reason of advancing poverty and 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."[4]

As a result of this insight, in 1871 he wrote a forty-eight-page pamphlet, *Our Land and Land Policy*. The gist of it was that every man had an equal need and right to apply his labor to natural resources; that when land was subject to private profit, this right was interfered with, so that people were robbed, through the rent they had to pay, of some of their earnings in order to be allowed to work at all; that the remedy was to remove taxation from labor-products and shift it onto land.

"The value of land is something which belongs to all," said the booklet, "and in taxing land values we are merely taking for the use of the community something which belongs to the community. . . . Imagine this country with all taxes removed from production and exchange! How demand would spring up, how trade would increase. . . ."

But such a large theme required a more thorough presentation to do it justice. *Progress and Poverty,* engaged upon six years later, was the result. The simple principle outlined above was expanded, worked out in relation to alleged economic laws, and set into the context of an ethical philosophy.

"At the beginning of this marvelous era," began the book, "it was natural to expect, and it was expected, that laborsaving inventions would lighten the toil and improve the condition of the laborer. . . . Now, however, we are coming into collision with facts which there can be no mistaking. From all parts of the civilized world come complaints of industrial depression, of labor condemned to involuntary idleness. . . . This association of poverty with progress is the great enigma of our times."

George began the book in September of 1877, writing in a room overlooking the great bay of San Francisco. His spare, flowing style, stripped of adjectives yet poetic, and the long cadences that suggest the sea and the Bible seem to have come naturally to him. But the analytic heart of the argument, with its desired clarity of expression, was achieved with considerable

pains. He revised many times; "what makes easy reading is hard writing," he said. It took eighteen months to complete the work.

In the spring of 1879 he submitted the manuscript to the New York firm of D. Appleton & Co.

"We have read your MS. on political economy," they answered. "It has the merit of being written with great clearness and force, but it is very aggressive. There is very little to encourage the publication of any such work at this time and we feel we must decline it." Harper's and Scribner's also rejected it.

Subsequently, however, Mr. Appleton reconsidered, and said he would publish the book if the author furnished the plates. George's former partner on the *San Francisco Post,* William Hinton, who now had a printing shop, came to his old friend's aid. George himself set some of the type, as did his son, Henry, and sundry printers and journalist friends. An "author's edition" made in this way just paid for itself, and the plates were sent to Appleton's which in January 1880 brought out the first commercial edition.[5]

For the first year the book did poorly. The leading critics were aware that they were up against a work of great independence of thought and excellence of style. But most of them felt doubtful of the economic argument, and contented themselves with giving long summaries of it, and brief recommendations to read it further. In this category of guarded moderation were reviews by the *New York Herald* and the *New York Tribune.* A few notices, including those in the *New York Sun,* the *Irish World* and two California papers were strongly enthusiastic; others were scathing. Many papers didn't cover the book at all, Appleton's noting "the great unwillingness of the press to handle it."[6]

In spite of the rather apathetic public reception and also some anxiety over his own financial situation, George's confidence in the book remained high. Of it he wrote, ". . . my faith in it, or rather in the truth which I believe it embodies, is so profound that I do not think anything that could be said of it could either flatter or abash me."[7]

In 1881 *Progress and Poverty* started to gain real recognition, partly as the argument of this extraordinary book began to be understood. But there was another potent factor: George's connection with the land agitation in Ireland.

The Irish peasantry, headed by Charles Parnell and Michael Davitt, were in revolt against the landlords who had been the cause of such bitter misery and famine. Since many of these were absentee Englishmen, the upheaval was marked by hostility against England. But George saw a larger meaning in the situation. It wasn't just the English landlords who were robbing the poor: it was landlords anywhere, and Ireland was only an extreme example of what went on all over when people were deprived of their birthright. In elaboration of this idea he wrote *The Irish Land Question,* a short book immediately widely read in Great Britain, and to a lesser extent, in America.

The *New York Times* in its review of March 23, 1881, commented on it: "One rises from a reading of this weighty pamphlet with a conviction of the justice of the theory advocated and with admiration for the clearness with which it is stated by Mr. Henry George."[8]

As a result of the stir he had caused, George was sent late in 1881 to Ireland as correspondent and lecturer for the New York *Irish World.*

Never did a journalist extend his assignment with more singlehearted zeal into a personal mission. Soon he was lecturing all over the country under the auspices of the Irish Land League. His red beard, domed forehead, very blue eyes and erect carriage gave him in spite of his short stature a commanding platform presence. As an orator he was exceptional: often quiet, at other times carried away by sincere, fiery animation. He answered questions from the floor aptly and quickly, encouraging discussions, of which there were plenty.

Coincident with his presence in Ireland, a cheap paperbound edition of *Progress and Poverty* financed by a Boston friend came out in Great Britain as well as in the United States, and his reputation as both speaker and writer took a meteoric rise. In September 1882, the London *Times,* spurred into noticing it two and a half years late, now reviewed the book cautiously

but favorably.[9] It had a sale which astonished its London publishers. Thoughtful Britishers wrote George they had been converted to his views, and strangers wrote him revering letters.

But bitter opposition to the work was not lacking, especially with regard to two controversial points:

One of these rested on a misunderstanding. George had stated that land should be made "common property," but he was using the word "property" in a strictly financial sense, and meant merely that the monetary profits from the land should be made common property by taxing them all away. In spite of his explanations, a number of people, even in America, felt that their personal possession of land was threatened, and George was pictured as a dangerous radical bent on destroying private property in land. In Great Britain the issue was compounded; for Davitt wished the land to be truly nationalized, and though this was not George's goal he allowed his name to be associated with the plan. According to his daughter's account, he was "overjoyed" that the right principle was being advanced, and thought that as long as the public collection of land-rent was aimed at, the mode of doing this was for the time being not overly important.[10]

Here appears the first clue to something paradoxical in the movement. The reform that later was to advocate the removal of all taxation, at this point delighted its founder in a form specifying no particular tax relief, simply because land reform was being recommended.

The other controversial point concerned compensation to landowners. The author had asserted that none was necessary upon changing over to the new system, and such a procedure was viewed by various critics as arrant confiscation.[11] A whole counter-literature of magazine articles, indignant businessmen's pamphlets and brief textbook dismissals sprang up, exposing the foolish fallacies and ill-advised misconceptions of Mr. George. Some reviewers, however, credited the author with nobility of intention; for instance, in England in 1882 a Mr. George Dixwell wrote courteously:

"The suggestion that society may repudiate its own titles, without compensation, under the subterfuge that the present

generation cannot be bound by the past, is one which so evidently upright a person as our author could never have made if he had not been carried out of himself by the imagination that he had discovered the source of all social evil."[12]

Since George's emphasis was anti-landlord, not anti-English, he was honored by groups of liberal-minded people all over the British Isles. The immense holdings of landlords in contrast to the crowded slums of London and Glasgow made it strikingly clear that land ownership was one source of the oppression of the poor. And as the classic economists, Adam Smith, Ricardo and J. S. Mill, each in his own way, had spoken of the land problem, George's message fell into a pre-existent tradition of proposed land reform.

In addition, his distinguished turn of mind was more appreciated in the intellectual atmosphere of British liberal opinion than in America. His lecture trips to Ireland and England, of which he made three in four years, flowered instantly into personal successes, and he gained many adherents in British society.

Helen Taylor, step-daughter of Mill, was an admirer, as was Mary Gladstone, daughter of the Prime Minister. The Socialist leader, Henry Hyndman, though not in agreement with George, entertained him as a house-guest, while John Ruskin and the scientist Alfred Russel Wallace were convinced followers. Some academicians and many clergymen from Cardinal Manning down received the American as a personage.[13]

If he was accorded honor, he drew amusement too. "He is perfectly simple and straightforward," commented a Tory newspaper, "a man with a mission, born to set right in a single generation the errors of six thousand years." And George Bernard Shaw saw him as a born orator who "explained with great simplicity and sincerity the views of the Creator, who had gone completely out of fashion in London in the previous decade, and had not been heard of there since."[14]

In George's letters from these British visits one may first discern the over-sanguine judgment that was so marked a trait of his temperament and career. He was forever thinking that any small gain in acceptance of his theory was but a harbinger of greater success to come.

To his Boston friend and patron, Francis Shaw, he wrote at widely separated dates many such bits of conviction: "All we have to work for is to bring on the discussion, when that point is reached, then the movement takes of itself. . . . The movement has certainly begun in England. . . . I feel as though we were really beginning to 'move the world'."[15]

He said he had been favorably received everywhere except at Oxford and Cambridge—a fact suggestive of many a future incompatibility with college professors.

By 1886 his philosophy had reached its height in England. James C. Durante, a London publisher, wrote to him:

"The ideas for which a mere handful of us were contending amidst scorn and contempt three years ago have spread with a rapidity which is a marvel to ourselves as much as to our opponents. Strange as it may seem to you, we are not now cranks but practical politicians. Quite a number of men favorable to Land Nationalization though not avowed supporters are in the House of Lords. . : . My conviction is that your work lies *here* rather than in America. Surely, the movement will pivot from here."[16]

And Davitt told George that his name was better known than any American one except "Cleveland" and "Vanderbilt."

What was the result of his four tireless sojourns and all this reputation in Great Britain? From the point of view of his specific recommendation, very little: years later, under Lloyd George, there were small increases in land value taxation which did not prove permanent.

Yet George's impact upon British social thought was striking. His intellectual originality and passion for justice galvanized the progressive thinkers of that time, and many social consciences were set in the saddle by him. Once they were there, however, some rode off in a surprising direction.

George Bernard Shaw was the most dashing, or at any rate the most prominent of these. His whole life, he attested, was influenced by hearing George speak. It was George's message against exploitation that he found inspiring, and for many years he believed, too, in the ideas about land. But he later concurred in the Marxian theory that profits from capital en-

terprise as well as from land should be government-appropriated—which was quite different from the land-tax theory. He was followed by a whole group of Englishmen first aroused to interest in public affairs by George, who later swerved to the concept of socialism.[17]

A perceptive summing up of George's influence in Great Britain is that given in 1897 by the economist and journalist J. A. Hobson.

"The real importance of Henry George," wrote Hobson, "is derived from the fact that he was able to drive an abstract notion, that of economic rent, into the minds of 'practical men' and generate therefrom a social movement. . . . Keenly intelligent, generous and sympathetic, his nature contained that obstinacy which borders on fascination, and which is rightly recognized as essential to the missionary. . . .

"But George's true influence is not rightly measured by the small following of theorists who impute to landlords their supreme power of monopoly. Large numbers who would not press this extreme contention are disciples of Henry George because they regard unqualified private ownership of land to be the most obviously unjust and burdensome feature in our present social economy. . . .

"Henry George may be considered to have exercised a more directly powerful formative and educative influence over English radicalism of the last fifteen years than any other man."[18]

George's influence in America and Great Britain at this time was reciprocal, for the Irish land question had many sympathizers in New York. When he returned in 1882, he was given a reception at Cooper Union in New York and a banquet at Delmonico's attended by an astonishing number of prominent people.

"It is a good deal like going to sleep and waking up famous," he wrote to a friend, "My reception at the Cooper Institute was a magnificent affair, and the banquet given me at Delmonico's on Saturday night was really the finest thing of the kind I ever saw. Everything was done in first class style, and the speeches

were of a much higher level than ordinary." Of the important people at the banquet he had whispered to a sponsor: "How did you ever get them to come?"

Both these grand affairs were engineered by the Irish of New York whose efforts accounted for the solid attendance. A recorder on the scene was with difficulty persuaded that Mr. George himself wasn't an Irishman.

The paperbound *Progress and Poverty* here as in Britain had widened George's audience, and the book's message was working like leaven in educated and uncultivated minds alike. George's popularity with workingmen was heightened by the actions of Terence Powderly, who, as Grand Master of the Knights of Labor, placed copies of the book in their assemblies. Under its auspices, and that of other organizations, the author lectured around New York, and intensively in the Middle West where there was a considerable stir of interest in his ideas. Yet the tours were often no financial success; at one point he wrote home that the fifty-cent admission was evidently too high.

Articles by George were sought after by the best magazines of the day. The *North American Review* ran pieces by him on the causes he pressed for: free trade, the secret ballot and, of course, land reform.

Meanwhile a growing interest in him was evinced by many professional men such as Louis Post, a lawyer and newspaperman who was later to be in President Wilson's cabinet; Heber Newton, an Episcopalian minister; and Charles Francis Adams, a prominent lawyer. These and about fifteen others, including George's family, formed a propagandist group, soon greatly enlarged, called the Free Soil Society—a name more indicative of the reformer's general purpose than the later appellation of *single tax.*

One key supporter whose aid was typically unsolicited was Father Edward McGlynn. The priest, a New Yorker of Irish descent, and an ardent, independent man, was so moved by the poverty of his parishioners that he had made a study of economic conditions. Coming upon *Progress and Poverty,* he felt that he had seen a light. His passionate belief that religion was no good unless it concerned itself with material as well as

spiritual welfare, he henceforth expressed by upholding George's ideas in the pulpit.

After George's return from Ireland they met indirectly through Davitt. Dr. McGlynn reported:

"Already captured by 'Progress and Poverty', I was now captured by its author. I found united with his lofty intellect and virile character, the simiplicity and sweetness of a child—in fact, that 'something feminine' which a Frenchman has said is to be found in all men truly great."

For several years the two men worked in close association. George was delighted with the bond, and was also convinced that if ministers in general became conscious of economic problems, they would surely see the necessity for land reform.

"There is in true Christianity a power to regenerate the world," he had written earlier, "But it must be a Christianity that attacks vested wrongs, not that spurious thing which defends them."[19] Later he was to write with even more explicit reference to the connection between religion and land:

"Is the want and suffering that exist in the center of our civilization today . . . in accordance with the will of God, or is it because of our violation of God's will. . . . Human laws disinherit God's children on their very entrance into the world."[20]

The relationship with McGlynn strengthened George's connection with the Irish-born of New York City, so that when in 1886 he was nominated to run for mayor, he had a nucleus of support among Irish-American politicians.

The widespread reading of *Progress and Poverty* among all classes was all the more remarkable in that its key economic reasonings are dry and difficult. One would not expect laborers to care much about "the margin of cultivation" or the assertion that "wages are determined by the rent line"—and they probably didn't. Yet George's grace of language and lucid, companionable tone seemed to make even his most technical chapters acceptable. And anyone could grasp the great underlying principle of his book: that the value of land should belong to the people.