
CLASSICS
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Political Economy for the Masses: Henry George

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Few Americans have had such a profound effect upon their times yet have remained so anonymous to future generations as Henry George. As a lecturer, he succeeded in politicizing hundreds of thousands of workers and intellectuals throughout the world. As a theorist, he made political economy accessible to the masses, transforming it, as one working-class leader noted, from a “dismal science into a science radiant with hope.”¹ As a politician, he spearheaded a mass democratic assault against the iniquities of industrial capitalism. As a writer, he struck chords so deep that his most important work, *Progress and Poverty*, outsold every other book in the nineteenth century except the Bible.

More than any political economist of his time, Henry George spoke to the problems of ordinary Americans. Unlike many foreign-born radicals whose ideas and language isolated them from American workers, George fashioned an economic theory and radical political language that operated within the context of American culture and values. He understood that the ideology that sustained capitalist rule could also be used to challenge it. In his writings and political campaigns, George appropriated terms that had been used by elites to dissipate working-class radicalism—and used them as the basis of a radical attack against the forces of monopoly. Inspired by his writings, workers in cities and towns throughout the nation abandoned traditional party ties in the fall and winter of 1886–1887 and joined George in a political crusade aimed at restoring what they viewed as true democracy in the United States.

¹ Arthur Nicholas Young, *The Single Tax Movement in the United States* (Princeton: Princeton University Press, 1916) p. 79. For further information on George's life and theories see Charles Albro Barker *Henry George* (New York: Oxford University Press, 1955); Robert V. Andelson, ed., *Critics of Henry George: A Centenary Appraisal of their Strictures on "Progress and Poverty"* (Cranbury, NJ: Associated University Presses, 1979).

The early life of Henry George mirrored the frustrations and thwarted dreams of his age. Born in 1839 into a lower middle-class Philadelphia family, Henry George came of age in an era whose dominant ideology, deeply rooted in the Protestant work ethic, held that success or failure was a matter of individual fortitude: those who were hard working, frugal, and sober would succeed, those who were not would fail. The ultimate goal was not the accumulation of great wealth, but the attainment of modest economic independence—ownership of a small shop, business, or farm. Government should intervene only to guarantee conditions that would provide all citizens with an equal opportunity for success.

Despite his family's strict adherence to these guidelines, young Henry grew up in an environment where poverty, urban crowding, hunger, and dependency were facts of everyday life. He quit school at thirteen and spent the next several years working as an errand boy, clerk, foremast boy on a ship, and apprentice printer. In 1857, he set off for California confident that he was entering the American Eden. But far from finding the West filled with unlimited opportunity and prosperity, George discovered a land plagued by uncertainty, despair, and exploitation: railroads, land speculators, and other monopolists prospered while ordinary workers and farmers suffered. George spent the next several years tramping around the countryside, taking whatever odd jobs he could get—ranch hand, gold miner, farm laborer, clerk, and typesetter—often begging for a meal and a night's stay in a barn. The worst period in his life came shortly after the birth of his second child in 1865. Unemployed, his wife and children starving, George set off in a desperate attempt to secure funds to feed his family.

I walked along the street and made up my mind to get the 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.²

This experience, George recounted in later years, led him to question the fundamental beliefs of his upbringing. How was it possible that in a land of such great prosperity an honest laborer could not earn a decent living? Was poverty simply the result of individual failure or was there some larger set of circumstances at work? George began to explore these questions while working as a reporter and managing editor of several California newspapers between 1865 and 1875. In January 1880, after several years of studying political economy on his own, Henry George published his solution to the critical problems of the age: *Progress and Poverty*.

² Henry George Jr., *The Life of Henry George* (New York: Doubleday and McClure Co., 1900), p. 149.

Although George never completely lost faith in antebellum ideology, in *Progress and Poverty* he attempted to expose and resolve its limitations and contradictions. He was determined to explain and offer clear solutions to the “greatest enigma of our times . . . [the] association of poverty with progress.” Even though the nineteenth century was “marked by a prodigious increase in wealth-producing power,” observed George, “large classes are maintained by charity or live on the verge of recourse to it; amid the greatest accumulations of wealth, men die of starvation, and puny infants suckle dry breasts; while everywhere the greed of gain, the worship of wealth, shows the force of fear and want. The promised land flies before us like the mirage.”³

Who, asked George, was to blame for this shameful situation? Workers? Manufacturers? Was it possible that poverty was an inevitable consequence of technical progress? Disdaining the complex and confusing explanations offered by most political economists of his day, George located the answer in a single concept: monopoly. It was monopoly that prevented free-market competition, denied equality of opportunity, and caused industrial depressions and urban poverty. And of all monopolies, one stood out as more pernicious than any other: the monopoly of land. The inequalities of modern society, argued George, did not arise from the production process, but from the unequal distribution and private ownership of land and its resources. “From this fundamental injustice,” he proclaimed, “flow all the injustices which destroy and endanger modern development, which condemn the producer of wealth to poverty and pamper the nonproducer in luxury.”⁴

George’s interpretation of and remedies for monopoly merged strands of antebellum petit-bourgeois ideology with two long-time tenets of working-class radicalism: the producer’s ethic and the labor theory of value. George contended that the fundamental struggle in society was not between labor and capital, but between producer and nonproducer, between those who created wealth and those who lived off the wealth produced by others—landlords, speculators, bankers, and professionals. Production, he explained, consisted of three main elements: labor, capital, and land. The first two were active partners, not enemies, in the creation of new goods and greater wealth. Land, however, was a totally passive force that, while necessary, contributed nothing to the actual process of production. Nevertheless, land, or more precisely the landlord, received a share of the profits in the form of rent. The landlord was paid not because he created new wealth, but because he held a monopoly on the land.

3 Henry George, *Progress and Poverty: An Inquiry into the Causes of Industrial Depressions and of the Increase of Want With Increase of Wealth . . . The Remedy* (New York: Robert Schalkenbach Foundation, 1955), pp. 3, 8.

4 *Ibid.*, pp. 340-41.

This was George's answer to the puzzling question of why, despite long hours of work, labor's wages rose very little. Under the existing industrial arrangement nonproducers were allowed to rob workers of the full value of their labor. As the population grew and the cost of land rose, George explained, the tribute to landlords increased while the potential gains of workers and manufacturers decreased. Any additional profits a capitalist or laborer might make through hard work and perseverance would simply be appropriated by the landlord in the form of higher rents. Surely, argued George, this was a new form of slavery: "As a man belongs to himself, so his labor when put in concrete form belongs to him. . . . If chattel slavery be unjust, then is private property in land unjust."⁵

George offered a simple solution: the Single Tax. In order "to extirpate poverty," he explained, "to make wages what justice commands they should be, the full earnings of the laborer, we must therefore substitute for the individual ownership of land a common ownership."⁶ Rather than urging the direct confiscation of land, George proposed that the government simply impose a property tax equal to the rental value of any piece of land. The Single Tax, as it was later called, was essentially a land-use fee that would be paid by the renter directly to the government rather than to landlords or speculators. Though the actual mechanisms of the Single Tax were never clearly delineated, George implied that the tax would be determined according to the prevailing market demand for property. If, for example, a manufacturer was willing to pay the government \$10,000 for the use of a plot of land, then the original owner would either have to pay a tax equal to that amount or give up the right to use that property for a year.

The Single Tax, in effect, would nationalize the ownership of land, yet it would do so within a democratic context. Increased land values, George argued, while created by the growth and development of the entire community, were usurped by landlords and real estate speculators. The Single Tax would remedy this situation by transferring the unearned profits of rent and speculation back to the nation as a whole. The state would "become the universal landlord without calling herself so . . . and every member of the community would participate in the advantages of ownership." Citizens would still be left with the outward appearance of land ownership: "Let the individuals who now hold it still retain, if they want to, possession of what they are pleased to call *their* land. . . . Let them buy and sell, and bequeath and divide it. We may safely leave them the shell, if we take the kernel."⁷

⁵ Ibid., pp. 334, 347.

⁶ Ibid., p. 328.

⁷ Ibid., pp. 406, 405.

George envisioned the Single Tax as the great panacea of his age. "It 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 . . . purify and carry civilization to yet nobler heights."⁸ Speculators faced with the prospect of having to pay high taxes on non-income-producing lands, would be forced to sell or build upon their holdings. This, in turn, would eventually lead to the construction of more factories and homes, thereby alleviating the problems of unemployment and urban congestion. The elimination of usurious rents, argued George, would reduce production costs and thereby bring higher wages to workers and greater profits to employers. Moreover, the Single Tax would generate sufficient funds to end the need for all other taxes. Its revenues would meet the cost of government operations, then only 5 percent of the gross national product, and leave a surplus that would be returned to the people in the form of new railroads, telegraphs, schools, hospitals, museums, and parks.

The genius and appeal of *Progress and Poverty* lay in George's ability to draw upon traditional American values to justify and legitimize radical ends. The Single Tax, he repeatedly emphasized, was merely an attempt to honor and protect the fundamental rights of citizenship. Land monopoly, he explained, led to slavery, and slavery, be it chattel or industrial, was inconsistent with the principles of a free and independent citizenry. "In allowing one man to own the land on which and from which other men must live," George argued, "we have made them his bondsmen . . . and must soon transmute democratic institutions into anarchy."⁹

George also invoked the support of God on behalf of the Single Tax and land nationalization. George belonged to the Christian and perfectionist tradition in American politics that insisted that Christians could not compromise with sin, neither the sin of slavery nor the sin of monopolizing God's gift to humanity. The iniquities that plagued the world, George stressed, were the result of disobeying God's will. The Bible taught us that land was a "gift of the Creator to His common creatures, which no one had the right to monopolise." Moses saw with great clarity that the "real cause of enslavement of the masses of Egypt was, what has everywhere produced enslavement, the possession of a class, of the land upon which the whole of the people must live."¹⁰ Consequently, in demanding an end to land monopoly, George, like Moses, was merely following the will of God.

8 Ibid., pp. 405-06.

9 Ibid., pp. 548-49.

10 Henry George, *Moses* (New York: The International Joseph Fels Commission, 1918), pp. 20, 14. George first delivered "Moses" in June 1878.

George also turned to political economy as a means of providing working-class readers with a "scientific" basis for his programs. Prior to George, political economy was consistently used to defend the prevailing capitalist order. George rejected the mystifications and untruths of bourgeois economics and advanced in its stead a radical political economy that presented workers with a very different vision of how the world could be. A national economic policy rooted in the Single Tax, he argued, would end the poverty, unemployment, and industrial depressions that bourgeois economists claimed were the inevitable results of progress. George also used political economy to challenge the pseudoscientific ideology of social Darwinism and to offer readers an economic plan designed to secure the prosperity and "harmony of the whole," rather than of a few individuals.¹¹ Through these interpretations of political economy, George offered the working class a new voice of truth and authority.

Though compelling in the simplicity of its solutions, *Progress and Poverty* is nevertheless a flawed and occasionally confused work of theory. Its most serious weakness lies in its limited view of monopoly and its belief that distribution, not production, is the critical factor causing industrial distress. George's belief in the harmony of the producing classes leads him to ignore the class divisions and competing interests that characterize modern interactions between labor and capital. By focusing only on land monopoly, he fails to recognize the importance and increasingly monopolistic character of capitalist production. The private ownership of capital gives greater power to small groups of individuals and constitutes a much greater cause of economic inequality than the private ownership of land. Reforming land without reforming production would not have brought the major redistribution of wealth that George envisioned. It is highly unlikely that the Single Tax would have generated sufficiently higher wages, for George assumed that manufacturers, as fellow producers, would have gladly shared the reduced costs of production with their employees. Furthermore, it is unclear whether the Single Tax would have brought the kind of social progress George anticipated. Would a worker be forced off his land if a capitalist was willing to pay a higher land-use tax?

Despite the problematic nature of its theories, *Progress and Poverty* achieved immediate fame and success. Hardback copies both here and abroad

¹¹ George, *Progress and Poverty*, p. 32; also see pp. 559-63. The changing nature of political economy during this era is discussed in Dorothy Ross, "Socialism and American Liberalism: Academic Social Thought in the 1880s," *Perspectives in American History* 11 (1977-1978): 7-79.

sold out within a few months of publication. Newspapers serialized the book and cheap workingmen's editions were distributed throughout the United States, England, Scotland, and Ireland. By 1886 *Progress and Poverty* had been translated into thirteen languages. Admired overseas, where he made several extensive lecture tours, George commanded even greater respect at home. No group greeted *Progress and Poverty* with more enthusiasm than the nation's workers. "Tens of thousands of laborers read *Progress and Poverty*," political economist Richard Ely noted with amazement, "who have never before looked between the covers of an economics book, and its conclusions are widely accepted articles in the workingmen's creed."¹²

Progress and Poverty provided a welcome ray of clarity into a world of confusion. Although the prolonged depression of the 1870s and 1880s led American workers to join labor organizations in unprecedented numbers, before George's work there seemed to be little agreement over the primary causes of distress. Some workers blamed overproduction, others underproduction; some blamed immigrants, some machinery, some the greed of capitalists. For most Americans, industrial capitalism remained a process shrouded in mystery.

Henry George gave the working class a political economy they could understand and use. Like Marx, he viewed political economy not simply as a system of thought, but as a form of power that could be used first to demystify and then to change the world. George presented a portrait of a world that had gone awry. But it was also a world that men and women could set right. Poverty, low wages, and depressions, he explained, were neither natural nor inevitable, but the workings of human agency.

Unlike many political economists who wrote with one eye fixed upon Europe, George rooted his works in American traditions and experiences. American workers did not want to join in proletarian struggles; they wanted to avoid proletarianization. They wanted to escape the problems of Europe, not bring them to the American shores. George offered workers a language that avoided any mention of what were in fact two leading characteristics of the 1880s: class struggle and the proletarianization of American labor. Instead, he spoke of citizens, not classes; of nonproducers and speculators, not capitalists; of democracy, not socialism.

Though George's more radical critics labeled him a petit-bourgeois democrat, it was precisely his belief in the small-producer strain of antebellum ideology that generated his radicalism and enhanced his legitimacy among the working class. Throughout his life George remained deeply committed to a vision of work and community rooted in the world of artisans, shopkeepers, and

¹² Young, *Single Tax*, p. 79.

farmers. He struggled to create a new language of American radicalism which merged elements of petit-bourgeois ideology and artisanal radicalism to oppose the industrial order of the 1880s.

In August 1886, at an extraordinary meeting in New York City, delegates from 165 labor unions and organizations—radicals and conservatives alike—asked George to run as their candidate for mayor on the newly created United Labor Party (ULP) ticket. George accepted the nomination, convinced that his candidacy would bring his theories “into practical politics and do more to popularize their discussion than years of writing would do.”¹³ With George at its head, the ULP launched a political crusade devoted to the restoration of democracy and the elimination of monopoly and political corruption. The party platform, heavily influenced by George’s writings, demanded radical changes in government’s relation to the economy and the people. Among other things, it called for the nationalization of all means of transportation, communication, and natural monopolies (gas, oil, minerals, etc.) and for the institution of the Single Tax.

George’s genius as a politician, like his gift as a writer, lay in his ability to fashion a radical party that operated within the context of everyday, seemingly conservative value. Throughout his campaign, George took the same concepts he had used so effectively in *Progress and Poverty*—citizenship, God, and science—and used them to attract supporters and legitimize the party’s platform. He appealed to workers to act not as members of a particular class, but as citizens fighting to save the republic from corruption and dissipation. Responding to critics who labeled his party and its platform “socialistic,” George declared: “We are Democrats and believe that political power should emanate from the people, and that in all matters that do not invade the inalienable rights of man the majority should rule.”¹⁴

George also used concepts of citizenship, Christian obligation, and political economy to justify and legitimize the ULP’s call for nationalization. He condemned laissez-faire government as inconsistent with the modern needs of democracy and insisted that the people required an active state that, acting in accordance with the designs of God and the Founding Fathers, would “secure the equal rights and liberty of all.”¹⁵ To this end, George contended that the state was obligated to assume ownership and control over all natural monopolies and

13 Henry George to Dr. Edward R. Taylor, September 10, 1886, Henry George Collection, Special Collections Department, New York Public Library, New York, New York.

14 *John Swinton’s Paper*, October 24, 1886.

15 Henry George, *Social Problems* (New York: Doubleday and McClure Co., 1898), p. 176. This was first published in 1883.

institutions vital to the public interest.

George's campaign attracted the attention and enthusiasm of workers throughout the United States. His election, predicted one Kentucky admirer, would "bring the working people together all over our beloved country."¹⁶ On November 2, with an anxious nation looking on, New York voters went to the polls. Though the ULP was unable to overcome the political organization of the Democratic machine and the opposition of capitalists, they shocked the political establishment by finishing a strong second. Abram Hewitt, the Tammany-backed candidate, received 90,552 votes to George's 68,110, and 60,435 went to Republican Theodore Roosevelt. George's campaign precipitated a massive upsurge of working-class political activity throughout the nation. Grassroots organizations sprang up in Vermont, Connecticut, Ohio, Illinois, Minnesota, and other states. Influenced by the teachings of *Progress and Poverty*, these regional parties united an unprecedented array of workers in a common struggle to forge a more democratic nation.

Although the United Labor Party experienced an initial period of success, electing candidates to office in cities and towns throughout the country, by the end of 1888 it had collapsed. The party's demise stemmed largely from its decision to pursue middle-class voters rather than to strengthen its support within the working class. In the months after November, George became convinced that the election had been lost because Democrats and Republicans were able to portray the ULP as a narrow class-based party. In fact, the ULP was a class-based party. Although George received some votes from small manufacturers, merchants, and professionals, the bulk of his support came from the working class. Instead of moving to solidify and expand his support among workers, however, George argued that the path to future political victory lay in broadening his appeal and acceptance among the middle class.

George's decision to court middle-class voters was not simply the misguided strategy of one individual. It expressed a dilemma that haunted his party and the nineteenth-century working-class movement as a whole: how to sustain commitment to radical principles and at the same time gain power through electoral politics. Although ULP liberals and radicals maintained a united front during George's initial campaign, their uneasy alliance broke down under the strain of charting a future course of political action. In the summer of 1887 when party socialists pressed for the nationalization of all instruments of production, George, fearful of antagonizing moderate voters, responded by expelling them from the organization. Party liberals endorsed his actions, readily agreeing that the party's path to political success lay in winning middle-class support. Angered

¹⁶ John Swinton's Paper, October 24, 1886.

radicals, insisting that they were “fighting only for grand principle, not for public office,” left the ULP and formed a new labor party.¹⁷ Despite its optimistic expectations, the ULP was unable to replace the departed socialists with middle-class voters, for the latter still perceived George and his party as too radical.

The pressures that brought about the party’s collapse were not purely internal. George’s organization faced the combined opposition of capitalists and clergy and suffered from the mainstream parties’ ability to co-opt ULP leaders and programs. The ULP’s naïve faith in the nature of the republican state hindered its efforts to combat these forces. Deeply rooted in antebellum ideology, George and his supporters perceived the state as belonging to the people and they believed that a united citizenry would be able to take over the reins of government and institute policies that would limit the power of antidemocratic forces. While such a scenario *was* possible, George and his party severely underestimated the ability of their opponents to use state power to suppress radical movements.

Whatever the shortcomings of his movement, George left behind an important legacy. His campaign directed workers toward an assault upon the very foundations of industrial capitalism. By calling for the nationalization of railroads, telegraphs, and all natural monopolies, George challenged the most sacred principle of capitalism: the sanctity of private property. Although he steadfastly denied any intentions to nationalize industry, the radical implications of his programs were clear to most capitalists. If the state interfered with property rights in one sector of the economy, it ultimately could do so in other sectors. But what must have been most frightening to capitalists was that the proponents of this movement did not perceive it as socialism or communism, but as Americanism.

Despite his failings, Henry George deserves renewed attention, and his experiences provide us with a number of critical insights into our own times. George understood that economic crises in and of themselves would not necessarily succeed in mobilizing the labor force. Workers required theories to guide them, and theory, to have force in the world, had to treat the culture of its audience in a serious manner and speak to them in a language that resonated in their daily lives. George understood that workers’ partial immersion in bourgeois ideology did not necessarily prevent them from initiating mass democratic movements. Whatever his limitations, George demonstrated that American workers could use the dominant beliefs, sentiments, and aspirations of their culture as the basis for launching a radical assault against the antidemocratic forces of their society.

¹⁷ Cincinnati *Enquirer*, July 3, 1887.