

REVIEW OF THE BOOK: Henry George and the Crisis of Inequality: Progress and Poverty in the Gilded Age
/ By Edward T.O' Donnell (2015)
Reviewed by David S.D'Amato

Historian Edward O'Donnell's *Henry George and the Crisis of Inequality* is a fascinating, if perplexing, work. Longtime students of Henry George and his ideas can expect to find Professor O'Donnell's picture of George at times quite unrecognizable, a product of oversimplified and often mistaken notions at least as much as George's actual words. Here we find George, the lifelong champion of laissez-faire, recast as among its loudest opponents—the principled libertarian portrayed as an activist for generic state socialism. It is particularly distressing that an ostensible expert on the man should fall into this trap given that George himself stands as one of the century's most resounding voices for laissez-faire free trade. And this is no mere interpretation of George, meant to serve cynically some libertarian agenda; rather it is the consistent testimony of George's writings on political economy, repeated again and again, that laissez-faire is to be promoted and desired by the working class. Indeed, George's critiques of his laissez-faire fellow travelers take them to task for being insufficiently true to their favorite idea—for failing to be “free traders in the full sense of the term.” He extolled the “harmony and beauty of free trade,” yet hidden and unlocked, buried under the accumulated privilege and ill-gotten gains of the rich. Today's facile and deeply confused political spectrum simply cannot hold a thinker like George.

Henry George was spellbound by the question of poverty, radical in the sense that he searched carefully for root causes, thinking systematically as opposed to superficially. The world-weary author of the Book of Ecclesiastes, perhaps King Solomon, writes that “there is no new thing under the sun,” and his point is well taken. In the case of Henry George, however, we find that exceptionally rare treasure, a truly original thinker, one whose ideas break with accepted modes of thinking and posit comprehensive answers to the fundamental and enduring questions of politics and society. Attempts, like this one, to shoehorn George into contemporary ideological categories are likely to prove unavailing, for his thought stands out as unique even among the various reform currents of the late nineteenth century. George shared many of the broad socialist movement's underlying goals, proposing a remedy to widespread poverty and condemning the power of monopolies. He was, moreover, akin to the socialists in that he opposed private property in land, a wrong to which he attributed almost all secondary social and economic problems. But George was a subtle thinker; he believed that both the individualist champions of laissez-faire and the collectivist advocates of socialism had ignored the best, most valuable lessons of their counterparts and therefore missed the one true answer to the social problem plaguing the country and indeed the world. He found amusement at the fact that he was lumped in with the socialists “by those who denounce socialism,” yet rejected as a member

of the club (despite his not having applied for membership) by the socialists themselves. “For my own part,” writes George, “I neither claim nor repudiate the name, and realizing as I do the correlative truth of both principles can no more call myself an individualist or a socialist than one who considers the forces by which the planets are held to their orbits could call himself a centrifugalist or a centripetalist.” It is no surprise that statements such as this confound the contemporary scholar, who desperately wants to enlist George’s brilliance in favor of his own ideological agenda.

Today’s libertarians frequently encounter this, the truly tragic misunderstanding of the character of nineteenth-century free-market radicalism. In George’s time, the promotion of open free-market competition, of less government involvement in the economy, was not yet treated, as it is today, as necessarily conservative or reactionary. And why should it be? The liberals and libertarians of the period had observed that when government intervened in the economy, it was primarily to help the rich and powerful at the expense of the worker, dispossessed not only of material wealth but of political influence. Reforms calculated to aid labor or alleviate poverty were rightly regarded as topical remedies (to borrow Herbert Spencer’s words, but more on him below). The reader is led to believe that the rich tradition of nineteenth-century free trade liberalism—of which George is unquestionably a part—amounted to a mere “demonization of the lower orders of society,” premised on cruel and unfeeling beliefs about the unfitness of the poor. When it comes to nineteenth-century libertarianism, however, the devil is in the details, details that are conspicuously absent from O’Donnell’s account: Libertarians like George (and other, similar individualist radicals like Benjamin Tucker, Lysander Spooner, Ezra Heywood, and J. K. Ingalls) denounced American monopoly capitalism *precisely because of* its departures from the ideal of a laissez-faire free market. They therefore continued the onslaught against government-created special privilege that began in earnest with the advent of classical economics. If subsequent generations of political economists had forgotten some of the anti-privilege, even populist roots of their doctrine, preferring to craft apologies for the status quo, then certainly the answer was not an abandonment of the principle of free trade itself.

Though he admits that George initially “held fast to the belief” in “minimalist government,” O’Donnell argues that George eventually saw the need for a “radical rethinking” of “the sanctity of private property and the *negative state*” (emphasis added). Throughout the book, O’Donnell denigrates the ideas of “minimalist government and laissez-faire individualism,” emphasizing their inconsistency with America’s founding principles, despite the fact that these are the very ideas George represents. Doubtless George’s work and his conception of laissez-faire have a distinctly left-wing or socialist flavor, but one must engage in some very clever contortions to obscure George’s enthusiasm for laissez-faire. For George, it

was the *positive state* that created the maladies he identified in the first place. The embodiment of organized violence in (or, more accurately, *against*) society, the state protected the illegitimate land titles of the monopolists, the historical successors in interest of the thieving conquerors in whose crimes the false titles originated. Moreover, the state protected the monopolists' profits from genuine free market competition. The real George understood the criminal nature of historical government and wanted as little of it as possible. Put simply, no one conversant with George's ideas could believe that they were a recipe for "empowering the state." No less than he was an anti-capitalist, George was a thoroughgoing anti-statist, his ideas predicated on the observation that the state was the principal source of monopoly power and privilege. Perhaps the most appropriate label for the thought of George, if indeed we must label it, is *left-libertarian*. In *Progress and Poverty*, George argues in favor of a "simplification and abrogation of the present functions of government," looking for an end of government "as a directing and repressive power." It should come as no surprise, then, that some of the most notable twentieth-century adherents of George's ideas—Franz Oppenheimer, Albert Jay Nock, and Frank Chodorov, for example—were fierce anti-statists. O'Donnell, it seems, simply cannot imagine that one might oppose *both* statist socialism *and* monopoly capitalism. To understand why, we must consider O'Donnell's perception of laissez-faire individualism; here, the ideas of Herbert Spencer figure prominently.

O'Donnell uncritically swallows whole and regurgitates a superficial and inaccurate characterization of Spencer and his thought that has long been thoroughly exploded—the idea that Spencer pronounced a compassionless philosophy of "Social Darwinism," according to which the poor were getting exactly what they deserved. Spencer, of course, thought no such thing and, rather like George, believed that prevailing economic results, including divisions of rich and poor, had as a matter of fact very little to do with the operations of laissez-faire. His work repeatedly observes that many of the great fortunes of his day were founded on the exercise of power and privilege, that they were nowise the result of honest competition in a free market. He furthermore attacked the validity of existing land titles, aware of their historical roots in violence and conquest: "The original deeds were written with the sword, rather than with the pen: not lawyers, but soldiers, were the conveyancers: blows were the current coin given in payment; and for seals, blood was used in preference to wax. Could valid claims be thus constituted? Hardly." That the caricature of Spencer and his purported "Social Darwinism" is so obviously without merit has not hindered its constant repetition among progressives. Their preferred ideological narrative—free markets are the cause of destitution for the many, unearned riches for the few—is far more important than the truth, which is decidedly more complicated. Complicated because, as we have seen, many of the most consistent free-

marketers (George among them) were forceful critics of the existing capitalist system, its large concentrations of wealth, and its brutal inequalities.

To O'Donnell, libertarian notions of laissez-faire were just a cynical rhetorical pretense, calculated to explain away legitimate concerns about poverty and inequality. "Central to these middle- and upper-class dismissals of the plight and protests of workers," O'Donnell tells us, were misgivings about the several "varieties of European radicalism" then percolating. And this is true as far as it goes, yet it raises more questions than it answers. It is not as easy as O'Donnell thinks to array George and his ideas in opposition to the supposed Spencerian "Social Darwinism" that would (it is assumed) pulverize the poor under a regime of laissez-faire. For, again, George was himself among the most articulate defenders of laissez-faire free trade. What's more, his ideas more closely resemble those of native American individualist anarchists like his contemporary Benjamin Tucker (for whom, we must note, Herbert Spencer was a key influence) than those of the European anarcho-communists. And whereas O'Donnell is clearly repulsed by the libertarian Spencer (or at least the popular caricature of him), George, for a time, "regarded Spencer as a formidable ally in his crusade to abolish private land tenure" (see David Weinstein's *Stanford Encyclopedia of Philosophy* article on Spencer). George even cites Spencer favorably in *Progress and Poverty's* acknowledgment of the theoretical desirability of "the abolition of government," which he calls "the promised land of Herbert Spencer." George, it turns out, is not so easily pigeonholed. O'Donnell's attempts to class him with state socialists, as a forerunner of early twentieth-century Progressives, seems to come undone at the slightest prodding. One can be forgiven for wanting to claim George, a compelling and original thinker, wildly popular in his time. But George's "great co-operative society," embracing, in his own words, "unrestricted competition" and "set[ting] no limit to accumulation," is emphatically not a creature of turn-of-the-century progressivism. The lawless discretion of the great progressive achievement, the modern administrative state, is just that kind of unaccountable monopoly power against which George railed.

One can be forgiven for misunderstanding the anti-state and anti-capitalist—yet laissez-faire—thought of Henry George. Much like the distributist "third way" of Catholic thinkers G. K. Chesterton and Hilaire Belloc, the philosophy that would become known as Georgism defies easy categorization. And *Henry George and the Crisis of Inequality* is certainly not without its merits; it reintroduces George's life and work in a readable, carefully researched book that is both accessible and scholarly. O'Donnell is at his best—and most accurate—when he demonstrates an appreciation for the project of synthesis to which George addressed himself throughout his life, committed to reconciling "republican liberty" with the increasingly popular socialist insights of his time. The Single Tax, redistributing rents on unimproved land to the citizenry at large, was the

tool of this radical reconciliation, the way to join socialism's hope for an equitable solution to the crisis of inequality with individualism's recognition of the sovereignty of the individual over his own affairs. O'Donnell effectively and vividly captures the episodes of George's amazing life, from his early influences and occupations to his years as a rather famous social theorist and political candidate. If the book is uneven in its presentations of George's ideas and, perhaps more importantly, their relationship to those of his contemporaries, then it compensates in its acknowledgement of George's continued relevance and importance.

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