

Henry George and the California Background of *Progress and Poverty**

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THE democratic theorist, with whose California life and thought this paper is concerned, is neither a well-remembered nor a forgotten man in the history of American thought. To a large and, I believe, a growing group of followers around the world, Henry George's light burns as bright as ever it did in the Eighteen-eighties and 'Nineties, when he was lecturing and campaigning in both hemispheres, and when *Progress and Poverty* was a best seller, translated into many foreign languages. To the devotees whose faith is focused on the single tax on the product of the land, George beckons as an adequate guide, if humanity would but raise its eyes out of our modern tragedy of war and the exploitation of man by man. Outside this group of appreciative followers, however, Henry George is a little-remembered man, and *Progress and Poverty* is a little-regarded book. The minds of most educated people, I am afraid, carry only an indistinct impression of the man and his work: an impression which reveals him more often as a crackpot than a man of reason and good will. There is a word "disremember," used in dialect by some Americans to cover what they have forgotten or confused. To me it is unjust and poignant that Henry George could have become a "disremembered" figure of the democratic tradition in this country.

Yet "disremembering" and following Henry George are not the only choices made about him. To the increasing group of Americans who take our intellectual history seriously, there is a third way of thinking about George. Turn the pages of Ralph H. Gabriel, the Yale author of the only systematic treatise we have on *The Course of American Democratic Thought*. There, Henry George gets one-third of a chapter (Emerson and Thoreau each get one-half); he is placed in the great Jeffersonian tradition of rationalist social thought; the single-tax is discussed indeed, in somewhat derogatory terms, such as "millennialism," "panacea," and "magic"; but the treatment of the man and his larger ideas is thoroughly appreciative and generous.¹ Charles and Mary Beard, in their more recent history of *The American Spirit*, likewise give generous space to George. Placing him in a context between Woodrow Wilson and Henry Adams, they have little to say about the single-tax, and much to say about Henry George's thoughtful and critical development of the idea of civilization.² And again, Merle Curti, in his Pulitzer Prize book, *The Growth of American Thought*, has words of large appreciation for, and of particular criticism of, the ideas of

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Henry George.³ The three works by Gabriel, the Beards, and Curti represent the leadership of the profession of history in recording and interpreting the inner, spiritual and intellectual development of our country.

As George's life is in large part a record both of affirmation and controversy, it should help the "visibility" of today's discussion to say at the outset that, although the cloud of disagreement has by no means risen from the man and the single-tax movement, the cloud-ceiling is much higher now than it was a half-century ago. The first of the three present ways of estimating Henry George which I mentioned a moment ago, namely, that of the follower and the believer in the single tax, is of course unalterably opposed to the second way, by which the man and his work are simply "disremembered." So also is the third way of estimating him, that of the scholar, opposed to the second. As between the first and third, a degree of sympathy would seem to be the natural thing — although one might suspect at the same time a certain degree of tension and suspicion as not unlikely between the devotees and the unattached students of a reform movement. But the road is easier along this frontier of thought. The deeper and more underlying premises of the Henry George movement are the premises of reason and good will. I, for one, can give grateful testimony to the friendliest treatment shown an outside investigator by members of the inner circle of today's Georgist movement. The new periodical, *The American Journal of Economics and Sociology*, gives indication of a sustained effort, from within the Georgist movement, to make a working connection between that school of democratic thought and the social sciences of the United States which are outside that school. There are indeed ample signs of reciprocal interest on both sides of the line between attitude number one, that of the devotee, and attitude number three, or the scholar's attitude, towards Henry George.

Within these several premises, the student of American thought may well find a good deal to stimulate him. Here is a leading American social thinker, economist, reformer, and internationalist. Here is an economic democrat who stood outside the socialist movement and the populist movement, and who feared and opposed the growth of a bureaucratic state. Here is a spokesman of the people who exercised rare gifts of logical and literary expression.

Here is the stamp of western — California — environment upon an international and a national figure. George was a contemporary of Leland Stanford. In many obvious ways he stood for the exact opposite of things for which the railroad builder and senator stood. And yet there was a piquant moment in 1881 when James McClatchy of the *Sacramento Bee* told Mrs. George that Stanford had read *Progress and Poverty* and had called himself "a disciple of Henry George."⁴ A little later, I shall offer some weightier evidence than McClatchy's rumor that, two-thirds of a century ago, there

were lines of thought which connected, as well as lines which separated, the economic democrats and the economic empire-builders of California. The regional civilization of this part of the country was at once creative, troubled, divided, and evocative of social thought and economic plan.

THE YOUNG HENRY GEORGE AS LITERARY AND ETHICAL THINKER

The author of *Progress and Poverty*, like most Californians of the first generation after the beginning of the American period, was an adopted rather than a native son. He arrived in San Francisco in 1858, a youngster not quite nineteen, and without much education. He was to stay on the Coast for twenty-two years, until the writing of *Progress and Poverty*, when he was forty, had enlarged and matured his ideas, and the first stages of recognition were preparing the way for the reform movement of the last two decades of his life. In 1880, the year after the publication of *Progress and Poverty*, George went to New York. Thereafter he returned to California only for a moment: he lectured in San Francisco in 1890 while on his way to Australia on a tour around the world. Few biographies are more plainly periodized than his: childhood, youth, and first set of character in his native Philadelphia, 1839–1857; young manhood, family responsibility, intellectual development, and authorship in California, 1858–1880; lecturing, political campaigning, and leadership in reform, with a base in New York, from 1880 to 1897. He died as dramatically as he ever lived, at the climax of his second campaign for the office of mayor of the great city. To the student interested in *Progress and Poverty*, in the making and the meaning of one of our country's most influential democratic works, the two decades of California life, observation, and authorship, open a beckoning area of study.

What equipment of mind and spirit did the young Henry George bring to California? What conditions and conflicts of this state's peculiar society of the 'Sixties and 'Seventies were seized upon by that mind, were observed, analyzed, generalized, and assimilated into the context of *Progress and Poverty*? The necessity of raising these questions is confirmed in the most casual reading of *Progress and Poverty*. The book is of course very largely done in terms of economic logic, criticism, and proposition. Long passages are fairly abstract in the language of nineteenth-century classical economics. But from first to last the economic illustrations, which concern such matters as landholding, wages, population movement, and employment and unemployment, are far more frequently taken from the state where Henry George was living than from any other place. The thought is fascinating that the play between exciting environment — *our environment* — and exciting book should have been intimate and effective. Yet neither the followers of Henry George nor the historians of democratic thought have yet made an effort to study George as a product of the California en-

vironment. More of this later. Suffice to note here that while *Progress and Poverty* indicates the imprint of environment, it obliges us to note also the long perspectives of the mind of Henry George. Most particularly the little-read and little-appreciated last part of the book, under the title "The Law of Human Progress," reveals a social and ethical mind not bounded by the practical and economic concerns of one state or region. The Beards correctly say that George's use of the concept of civilization elevates him to rank with the most acute generalizers in American social thought. So the concluding passages of the book drive us back to the first question raised above: What equipment of mind and spirit did Henry George bring to play upon the conditions of economic life? In what forms, and in terms of what values, did he reach his most sweeping general ideas?

I have already mentioned the little education of the eighteen-year-old immigrant of 1858. His beginnings in Philadelphia were humble enough, though by no means of the lowliest. He was the son of Richard George, a small publisher, whose business was the distribution of Episcopal Church and Sunday School books. The father was not very successful, and not always a business man; for many years he supported a large family (there were twelve children in all) on a Custom House clerkship. He led his family in the daily Biblical piety of Low-Church Episcopalianism; he participated with them in some discussion of the affairs of the Republic. The George family was Democratic in that northern wing of Jackson's party which easily swung toward free-soil; at seventeen, Henry George was hearing and talking about the abolitionist movement, and deciding, ahead of his elders, that right thinking must be definitely opposed to slavery. But the George family had no basis, either in wealth or tradition, for the boys to go to college or to master the secular classics. Henry never completed his work in either the Episcopal academy or the high school which he entered; he had no formal schooling at all at a later age than thirteen. Some months before he was sixteen he went to sea; he traveled as far as Calcutta in 1855, and then returned to Philadelphia. The depression of 1857 sent him to sea again; and after a voyage through the Strait he arrived in San Francisco on May 27, 1858. The annals of Henry George up to this time are the annals of a poor boy in a large family. His native gifts for thought and expression were thoroughly untrained.

At this point the appreciation of Albert J. Nock helps us to follow the none-too-plain continuity between the mind of Henry, as young son of Richard George, and the mind of the forty-year-old author of *Progress and Poverty*. Nock points out that, in the pious attitudes and habits of his family, Henry George had been saturated in the spirit and language of the King James Bible, and that this education by absorption and coloration remained with him for life. He also suggests that the firm sensitive writing of Henry George, in his diary and letters of 1855 while he was at sea, shows

a mind quick to notice things and feel them – a mind that, even at seventeen, was effective in finding the right words to express interesting meanings. From my own reading of George's private papers, I believe that Nock's ideas do not exaggerate either the Biblical or the early literary focus of George's mind.

At least as early as his eighteenth year, that is before he left Philadelphia, the boy had troubled to write essays entitled "The Poetry of Life" and "Mormonism"; and during his early years in San Francisco he did pieces some of which were practical in spirit, and others of which were thoroughly imaginative. Two of them, "Aim for the Best" and "On the Profitable Employment of Time," are reminiscent of Benjamin Franklin, a man and writer whom George greatly admired. Some, notably one entitled "Dust to Dust" and printed in the weekly *Californian*, are mystical, almost spiritualist, in suggestion, but nevertheless indicate a young man's gift in evoking mood and place; and they show that he was remembering and reflecting on the experiences of his voyages of the mid-fifties. Henry George's capacities were recognized on San Francisco's "literary frontier." His writings are to be found in the same early volumes of the *Overland Monthly* that contain the writings of Bret Harte; one or two are in a purely romantic vein, and the others have to do with economic and political affairs and so reflect the growing interests of a young journalist and pamphleteer.

Two illustrations will indicate how the developing mind of Henry George never broke from its early anchorage in Bible feeling and piety. He was a printer in the office of the *Alta California* when the Civil War ended and when the shocking news arrived of the assassination of President Lincoln. In great intensity he wrote a letter, and it was printed under the head "Sic Semper Tyrannis." Henry George visualized the Good Friday afternoon in the theater; Booth became the "spirit incarnate of tyranny and wrong"; Lincoln he assimilated to Christ – the just was struck down, because of his justice; future generations would see the drama, call Lincoln blessed, and make perish the wicked. The paper was millennial in thought, and perhaps a little juvenile. But a few days later he wrote a soberer letter, and this the *Alta* published as an unsigned editorial under the head, "The Character of Lincoln." In this instance, Henry George assimilated Lincoln to the democratic flow of American history: he was "no common man, yet the qualities which made him great and loved were eminently common . . . No other system than American democracy could have produced him." Thus, in his own way, a mere San Francisco printer, Henry George, made himself a contributor to the democratic legend, the folk mysticism, which surrounds Lincoln as it does no other American.

The second illustration of Henry George's persistence in the early, religious vein, while he also developed as an economic thinker, comes from 1878, the year in which he did most of the writing of *Progress and Poverty*.

In a lecture entitled "Moses," before a Y. M. H. A. audience in San Francisco, George dwelt with feeling on the implications of the Exodus of the Jews from Egyptian slavery; he elaborated on the qualities of leadership which such a movement must have required of Moses; he made comparisons between the Hebrew mind and the Greek mind, in favor of the practicality and the poetry of the Hebrews, and against the abstruse element in Greek thought. Thus, more than a decade after the Civil War, and more than two decades after he had left his father's home, George was applying the Biblical values and language of that home to express his ideas about human slavery and emancipation. His thought about Moses was the same, essentially, as his thought about Lincoln. Both gained stature as the great leaders of a people *because they were of the people*; and the people were loyal followers because they sensed and loved the community between leadership and "followership." Likewise, George thought about the ancient Jews in the same way that he did about American Negroes, and about all exploited people. Again and again, in *Progress and Poverty*, he was to say: we have freed the Negroes, why enslave ourselves to the new hierarchies created by an industrial society?

We are now ready to estimate an answer to the first of the two main questions about the derivation of *Progress and Poverty*, that is, the question of the intellectual and spiritual standards of the immigrant Henry George — the question of non-environmental, or at least the non-Californian factors, in his thought. We have a sober, Bible-trained boy who grew into an ethical and religious-minded man; we have an individual of expressive, literary qualities of thought; and we have a patriot and humanitarian who was trying to focus attention on the meaning of the Civil War — on the significance of race and slavery, and on the leadership of the great man who emancipated Negroes from slavery. In the lecture on "Moses," he stated an organic conception of man and society; he said that the individual and the group are never truly separate:

"The truth [is] that each individual must act upon and be acted upon by the society of which he is a part, and that all must in some degree suffer from the sin of each, and the life of each be dominated by the conditions imposed by all." ⁵

The mutuality of all men in sin and in condition is an insight which George does not abandon.

In *Progress and Poverty*, to be sure, his larger ideas were to be far more spaciouly expressed. The influence on human affairs of geography and climate, for example, are explicitly recognized. Within limits, George may be justly described as an environmentalist in the long tradition of John Locke and Thomas Jefferson. *But the inner factors of society impressed him more*: traditions, institutions, and inherited social ideas, attitudes, and

prejudices, tell a great part of the truth about man's destiny. Henry George's "law of social growth" is a law of change and unbalance: there is always change — progress when change is in the direction of equality among men; retrogression when the change is opposite. George came in time to minimize race (physical differences) as a factor in human affairs; he made a good deal of cultural differences. National characteristics he considered to be great and marked; and social class to be a far more telling human differential than race. While he entirely lacked Marx's notion of the social class as a conscious group with either revolution or reaction as its function, George again and again used class ideas, such as those of the proletariat, for description and analysis. The image which lies behind the pessimism of the later part of *Progress and Poverty* is the image of unemployed urban workers. They would be the new barbarians to upset civilization if unemployment and frustration pressed them long enough. How the history of our own times has confirmed this prophecy, a prophecy which was rare enough in the California of 1880!

The element of optimism and hope, which is, after all, central in Henry George, in his book and his movement, may return us to the essentially Christian presumptions of his thought. George believed that all men everywhere have an essential core of intellect and spirit. If all men are subject to slavery, all men too are subject to the emancipating power of ideas. Equality and progress, he says in a culminating passage, will not easily prevail, but sometime they will — "This is the power of Truth." Thus, in George's belief, an individual's thought and feeling constitute the matrix which binds him to society. True thought is the only power the individual has of renewing and strengthening society — that is, of democratizing and saving it.

THE EVOCATION OF ECONOMIC THOUGHT IN CALIFORNIA

As we turn to the narrower focus on Henry George, to the matters which contributed to his economic thought, we may be quite sure that we are dealing with California phenomena almost exclusively. The immigrant of 1858 was a lad of some economic experience indeed. He had known the personal meaning of hard times, as he was to know it again, ever so bitterly, in San Francisco. But he certainly was not a young man of economic training or reading. A tracer of influences and origins would like to be able to say that he brought to San Francisco, under his hat, some measurable part of Philadelphia's priority in American economic thought, which had begun with Benjamin Franklin and had developed through Mathew and Henry Carey, and which was to lead, in time, to the Wharton School and Simon Patten. In fact he seems to have had no appreciation of this priority. Even in San Francisco we can catch only occasional glimpses of him in the 'Sixties, becoming a man of economic ideas. We know that he read books on economics in the library of the What Cheer House and in the Mercantile

Library. But there is no use trying to make an academic economist out of Henry George at any stage, nor even a well-read economics writer before 1871, when he wrote and brought out the pamphlet, *Land and Land Policy*, which was the first and germinal statement of his economic ideas. Before the appearance of *Progress and Poverty*, eight years later, he did indeed read in classical economics. Adam Smith he accepted, of course, as the great founder of economic science. He saw much to approve and follow in Ricardo; much to regret and controvert in Malthus; and much to discuss, both in approval and in objection, in John Stuart Mill and Herbert Spencer. He knew that his own particulars of thought were similar to the Physiocrats, but he did not pretend to know them well. The reader of the first half of *Progress and Poverty* will judge, correctly, that George's mind was moving freely across the whole range of Anglo-American economic literature. But the reader of *Progress and Poverty*, alone, will not see the economic mind of Henry George in proportion. Not until he has studied *Land and Land Policy*, and George's magazine articles and newspaper editorials, all dealing principally with concrete and specific matters of California conditions, controversy, and policy, will he sense the bulk behind the California illustrations and allusions in *Progress and Poverty* — only then can he fully understand how the school of regional event was a more important school of economics for Henry George than the total of world economic literature.

Above all, Henry George's California was a spectacular community of surging, large-scale, economic growth. Henry George and all observers saw extractive industries established, commercial profits reaped, and processing industries begun. He saw unused land become productive, and sometimes withheld from production; he saw cities rise, speculators succeed and fail; he saw small men become economically great, and poor men and honest men despoiled. This drama was literally catching the eye of the world, and it evoked a proportional amount of written and printed chronicle, judgment, and comment.

Many an observer of Henry George's day had his say about the materialism of California; more than a few said that the material processes were themselves so incredible as to assume the quality of romance, of Olympian rather than human activity. Even the literary magazines, such as the *Hesperian* and the *Overland*, went out strongly for articles which assessed the present and forecast the future of the region. A sort of local movement in economics and sociology, touched with almost millennial hope for California, was as natural for the state as was the geological survey, in process during the 'Sixties, which had for its aim a scientific view of the resources of the state.

The easiest illustration I have noticed of the way in which the spacious conditions of California invited men to think on a wide and large scale of

geography, climate, industry, labor, society, and social control, is to be found in a manuscript in the Huntington Library. This is a letter from James Gadsden of South Carolina, a leading statesman and spokesman of the Old South, to Thomas Jefferson Green, a southerner and leader in the new state legislature. The date is 1851. Gadsden wanted the California state authorities to give, or to help him get, a big land grant: it must be large enough for a self-sufficing community; the conditions must be right for cotton and a variety of other farm products; there must be a town site, with available water transportation to the coast; there should be access to the mining country, as an outlet for seasonal operations by Negro slave labor. The whole thing has a certain quality of unreality: Gadsden's notion of proceeding, as he said, by military order across the continent to some place, probably in the San Joaquin Valley, and there establishing a well-regulated, master-and-slave society, fails to make sense within the premises. California was already a free state; and the extreme mobility of the free, white miners, of the placer-mining period, would in any case have had a devastating influence on a slave colony. But the point is that largeness of hope is what California gave to men, even though they were ever so different from the northern, reformist character of Henry George. Men thought big and loose, in terms appropriate to the bigness and looseness of early California society.

The expansive mood was of course natural to the writers of California promotion literature. Here I pick, as representative rather than brilliant, a pamphlet by a writer named J. J. Werth. It was published in Benicia, in 1851, the year of Gadsden's letter, under the title, *A Dissertation on the Resources and Policy of California, Mineral, Agricultural, and Promotional*. Reasoning from data on the richness of California mines and her potentials in agriculture and trade, Werth concluded with certain "Reflections on the Destiny of California." "Progression, Progression," he declares; in three years the state has accomplished what elsewhere would require a generation; in her own fast time California will have a diversified economy, ample railroads, and cottage residences for a happy population.

Writers of promotional literature were peculiarly sensitive to the acceptable arguments of geographic determinism. Again and again, San Francisco Bay was declared to indicate a great metropolis, a West Coast center, and a focus for the trade of the entire Pacific area for an indefinite period of time. California essayists and spokesmen, even as high in reputation as Thomas Starr King, the patriot Unitarian minister, delighted to note their destiny as at the farthest reach of the continental expansion of the United States, at a new beginning of America's manifest destiny, namely, the commercial and cultural reach towards the Far East. The argument was essentially the same as that so prominent recently in the San Francisco newspapers apropos of the world security meeting of the United Nations. San Francisco has always been conscious of her position at a crossroads of the world.

The impact of the California drama of social growth was so inclusive that even those who hated the place, disliked the fog, and detested the promoters, talked in the same large assimilative language of geography, economy, and society. No one ever took a gloomier view of the place than did Hinton Rowan Helper, who "told off" California in 1855, in a little book entitled *The Land of Gold. Reality Versus Fiction*, a couple of years before he did his better-known *Impending Crisis in the South*. Helper went to great lengths of statistical demonstration to show that California had already proved an economic failure: the purchase price paid Mexico, plus the expenditures of emigration from the eastern states, plus labor spent in California, all added to a much higher figure than the mineral wealth which California exported in the first seven years, to repay these costs. The deficit he figured to be \$60,000,000. Helper hated California for its unemployment, especially in San Francisco, in much the same way that he hated the slave system for what it did to free white labor in the South. In all his excess of argument and denunciation, Helper talked the language of regional economics and life. He agreed with the promoters on one point at least, namely, that California's "spacious harbors and geographical position are her true wealth."

The illustrations which I have chosen are all taken from the 1850's. Considered together, Gadsden, Werth, King, and Helper indicate the early, widespread use of the terms of economics, geography, and sociology in California. They show that these terms were applied regionally, in controversy, and with feeling. But these men and their writings do not go so far as to indicate any very ample, or disciplined, or critical, application of the language of social appraisal. Yet such an achievement did come in California, and it came rapidly. It came rather in the 1860's than in the '50's; that is, it came during the decade in which Henry George was working his way into journalism, and feeling his way into public affairs. Beginning in 1863, the publishing houses in San Francisco of Bancroft and of A. Roman, particularly, produced a remarkable series of substantial works. They are familiar to all students of California history:

John S. Hittell, *The Resources of California comprising Agriculture, Mining, Geography, Climate, Commerce, etc., etc., and the Past and Future Development of the State*. (Roman, 1863, and many later editions).

Titus Fey Cronise, *The Natural Wealth of California* (Bancroft, 1868).

Bentham Fabian, *The Agricultural Lands of California* (Bancroft, 1869).

In time, during the 1870's, there was to be published Professor Ezra S. Carr's *Patrons of Husbandry*, a history of the Grange in the state, but, more than that, a broad discussion of agriculture, landholding, and of agrarian protest and policy. The seventh and final volume of H. H. Bancroft's huge *History of California*, covering the period from 1860 to 1890, and published in 1890, in a sense completes the series begun by Hittell. Its unusually broad inclusions, such as the history of agriculture, grazing, manufacturing, commerce, business, public opinion, labor, railroads, mining, and urbanism, mark it with the same stamp of regional social consciousness as the works of the '60's and '70's.

The significance of these books, in California social thought, lies partly in their high quality as regional surveys and analyses, and partly also, of course, in their origin and intention to promote and guide the growth of the state. Note the dates: 1863, when the first edition of Hittell's *Resources of California* was published, and 1874, the date of the sixth edition, span the decade during which this literature appeared. The decade also spans railroad organizing and building, a decade of great hope and then sharp depression. Note the more particular conditions: California immigration had risen sharply during the early years of the Civil War; then it declined and one year went into actual reverse; and, again, at the end of the decade of the '60's it picked up once more. But the increase of immigration and population growth was low in proportion to the newer states of the Mississippi Valley — Iowa, Minnesota, and other states. What concerned this region, and in particular the business mind of the region, was that the completed railroad, in 1869 and after, did not appreciably stimulate the growth of the population.

To all these conditions, Hittell and Cronise and lesser California economics writers responded. Their books show a common purpose, the purpose of building up the state by attracting a permanent population. The idea was that the old, fluid mining society had supplied no proper basis for stable life. Let mining become more settled, as the deep-mining operations of the 1860's had promised. More particularly, the argument ran, let the state's economy become balanced by a large extension of agriculture, and a development of industry and commerce. The central core of agreement among Hittell, Cronise, and their kind was that California's need was for small farms and proprietor-farmers. From a great increase of that sort would come most of the desirable economic, social, and institutional results — food for the cities, business for the railroads, markets for industries, a stable and attached citizenry, the basis of democracy. The argument was promotional, but it was developed and sophisticated far beyond Werth's little pamphlet of 1851. Where criticism was called for, Hittell, especially, was the man to be critical. In the 1863 edition he was very sharp in his strictures of Cali-

fornia's land monopolists, and the insecurity of land titles in the state. I venture the tentative opinion that in the long history of regional economic surveys in this country, from Jefferson's *Notes on Virginia* to *Recent Social Trends* and the reports of the National Resources Planning Board, California's group of regional reporters will bear comparison with the best.

One more very plain, and, I think, illuminating, illustration will indicate how economic interests and intellectual interests converged in social thinking and social planning for the state. The following passage is from pages three and four of a little pamphlet, *Common Sense Applied to the Immigrant Question*, printed in San Francisco in 1869:

We are forced to stop and ask what there is in our civilization that is so shrunken and shrivelled by the magnetic current setting towards us through the iron conductor from the East. We are led for the first time in our existence – hitherto isolated – to look beyond the present moment, to study the past and contemplate the future, in order to derive from the experience of the remaining ninety-nine and a half per cent of the world's population, the facts and figures wherefrom to work out our own destiny.

The author of this sober, not to say alarmist, passage about California's destiny, in the first moment of her railroad connection with the world, was no radical. He was Caspar T. Hopkins, president of the California Insurance Company, and he was writing in his other capacity as president of the newly formed California Immigrant Union. On his board of the Immigrant Union sat Charles Crocker of the Central Pacific, and a whole galaxy of San Francisco bankers, merchants, and manufacturers. In time this same C. T. Hopkins was to be author of a school textbook in civics, under the title of *A Manual of American Ideas* (1873), an occasional lecturer at the University of California, and a founder and writer for the Pacific Social Science Association (he wrote a paper on foreign trade in 1881).

The social ideas promoted and the policies proposed in his several writings are the time-honored American ones. Men and women – he was a bit of a feminist – have rights, grounded in fundamental law; society grows from an agricultural base, and it must be constantly renewed from that source. Waste and speculation Hopkins deplored. His praise was for industry, thrift, and sobriety, as moral and economic virtues, one and the same. For California, he and his Immigrant Union wanted a population built up by Britishers and northwestern Europeans, who could be absorbed into the economy, the polity, and the ideology of the country. He wanted Oriental immigration stopped.

His ideas could almost be called the official ideals of California growth. No one said him nay. His associates were the leaders of the whole community; his convictions accorded with patterns of thought denied hardly anywhere in the Republic.

HENRY GEORGE IN THE CONTEXT OF CALIFORNIA SOCIAL THOUGHT

At this point we must return to Henry George, and observe somewhat specifically the ways in which he responded to the climate of opinion in California. But first of all we may anticipate by noting that in many ways *Land and Land Policy* and *Progress and Poverty* show him to have been not a dissenter but a conformist with the Hittell-Hopkins type of thought. As he loved and believed in California, he was certainly much more of a conformist than Hinton R. Helper.

Specifically, in common with Hittell and Hopkins, he made all the grand assumptions of classical, natural-law economics. He made these theoretical premises as plain as possible in a lecture at the University of California in 1877, on "The Study of Political Economy."⁶ Thus George stood both physically and philosophically on the same ground as C. T. Hopkins. Like Hittell and Cronise, moreover, George's writing qualifies him as a descriptive and empirical economist, as well as a logical one. *Land and Land Policy* is strictly a work on the American West; the first edition carried a map indicating the railroad grants of California, and the argument is packed with statistical data. *Progress and Poverty* also has no slight amount of regional imprint, as I have suggested. A first rough count shows some thirty instances of George's using California data to substantiate his points.

More concretely, Henry George many times dramatized the significance of the railroad, as did the businessmen. In an *Overland Monthly* article of 1868 (Hittell and Hopkins also wrote for the *Overland*), he anticipated the stimulating effect the railroad would have on California; he also anticipated that it would cause some social dislocation.⁷ Likewise, on the point of agricultural settlement, George shared a large area of agreement with Hittell and Hopkins. He too thought that California needed small farmers; he thought that land monopoly was the great obstacle to their coming; and, in common with the Immigrant Union and others, he opposed Chinese immigration some years before the Exclusion Act of 1882.

The large differences between George's social thought and that of the businessmen may be reduced, for present purposes, to three. First, there is a difference of mood or attitude towards the growth of the state, which may be described as his romantic pessimism. "What is the charm of California?" he asked in that *Overland* article on the railroad. Not climate; not mere lack of social restraint; not the chance to make money; not local attachment; not culture. "No: the potent charm of California, which all feel but few analyze, has been more in the character, habits, and modes of thought of her people — called forth by the peculiar conditions of the young state — than in anything else."⁸ The charm rested in a certain cosmopolitanism, a certain breadth of common thought and feeling, natural where origins were so diverse, and where feelings of personal independence and equality prevailed. Henry George's nostalgia, and his vein of distrust

in promotion, draw a real line between him and Hittell or Cronise. There is something of Henry Thoreau in Henry George, the city dweller; there is none of that in the ideas of Hittell and Hopkins.

A second line of distinction between him and them is expressed by his class consciousness. Although he feared and hated the growth of social hierarchies, he never sought to escape the mark of the proletarian. In fact he used that very word, "Proletarian," as a pseudonym, in a series of political letters printed in the *Sacramento Daily Union*. And in all the self-consciousness of his Berkeley lecture of 1877, he made a focal point of his contention that the study of political economy in Great Britain and America was pro-capitalist. Contrariwise, he urged, the best and truest service of economic study would be to extend the social sympathies to the lower classes, and to attack the practical questions of industrial depression, on behalf of the working man.

Finally, in contradistinction between George and the other San Francisco economists, it was George's gift to write a book which was regional in derivation but not regional in purpose. Where Hittell and Hopkins were thinking of the California economy in terms of growth and stability and property, Henry George was thinking of economic democracy in California and in the world.⁹ These two intentions are not quite contradictory, but they certainly are different. A contemporary critic of Hittell said that he knew of no other writer anywhere, communist or capitalist, who was so thoroughly a materialist in his understanding and interpretation of human history as John Hittell.¹⁰ The idealistic Henry George could go part way but not all the way in company with such a mind. At some point he would part company, and take his own course.

TWO SALIENT PARTICULARS OF GEORGE'S THOUGHT IN THEIR CALIFORNIA ENVIRONMENT

In conclusion, I wish to bring home if I can the intimacy of connection between Henry George's thought and his California environment by reference to two of the most salient and best-known particulars of the economic reasoning of *Progress and Poverty*. First, as Henry George was speaking for the common man, and was trying both to elevate the role of labor in economic thought and to promote economic thinking among working people, he naturally gave much space in *Progress and Poverty* to the subjects, capital and labor. His salient idea here he expressed in a phrase: "Labor employs capital." "Labor employs capital," not, "Capital employs labor." Second and better known, the most sweeping statement of radical principle and the focal reform point of *Progress and Poverty*, is the proposition that private property in land is wrong, and that public property is right. This is the principle which lies behind the single-tax reform; the one tax, which would turn over all economic rent to the community, was a

proposal to implement the idea of public not private property in land. More specifically, the tax would take for the public the unearned increment of land values; it would leave untouched with the individual holder the gains from labor or capital which he might make upon his piece of land.

Readers of *Progress and Poverty* will recall that Henry George approaches the formula, "Labor employs capital," through the long opening chapters which discuss the meaning of wealth, capital, interest and profits; labor and wages; land and rent. He comes to the point that concerns us when he attacks the wage-fund theory, which he found to be all too widely accepted in current American thought. The then-prevailing idea that wages are largely controlled by the amount of capital devoted to production he found to be untrue; he raised the objection that the wage-fund theory rested on deductive thinking only; he said that the premises were wrong, and that the actual observation of economic facts indicated the wrongness of the theory. His own conclusion he phrased as a product-of-labor theory; wages derive from labor; they are paid *after* the work is done and after the product has been made more valuable by virtue of that labor.¹¹

To Henry George's ethical mind, this argument is not without large significance. The wage-fund theory promotes complacency about the major importance and authority of capital in production — that is to say, or almost to say, the major importance of the capitalist in the industrial order. Contrariwise, the product-of-labor theory shifts labor toward the center. The employing capitalist is reduced from something like a sovereign to something like a manager: his function is to manage labor and capital (in Henry George's definition, capital is a product of land and labor). He becomes an economic servant, not an economic autocrat; and where large numbers of people are concerned, he becomes a sort of public servant with a trust.

Henry George seems not to have known that about nine years earlier than he, John Stuart Mill, at the head and center of economic liberalism in Great Britain, had changed his mind about the wage-fund theory. George's own text indicates that in this instance he was not up to date in world economic thought.¹² What concerns us more, and is infinitely suggestive of environmental influences, is that a comparison of George's text with other San Francisco writers of economic controversy shows that his product-of-labor theory was of the very context of regional thought. Let me quote an editorial of July 1878, from a promotion journal, *Hall's Land Journal*. For years, the editorial argued, the high interest rates and high wage rates of California have been regretted by "a certain school of local political economists, who could not see that high wages and high interest were indications that the natural wealth of the country was not yet monopolized, that great opportunities were open to all — who did not see that these were evidences of social health."¹³ This was George's own idea, too, and it was supported,

to my knowledge, by one or two others as well — just enough for us to be sure that he was not alone in his notion that high wages and high returns to capital go together.

That there was an opposing “local school of political economists” will indicate the relevance of all this to the wage-fund theory. There can be no doubt of the identity of the school: it was the Hittell, Cronise, and Immigrant Union group. In his *Resources of California*, Hittell had made the businessman’s argument: high wages were ruining California. How could industry grow if capitalists paid very high wages? The wage-fund idea (as well as the fear of east-coast competition) lurks behind this argument.¹⁴ Even Hopkins, while he was trying to attract immigrants, did not hesitate to argue publicly that wages should go down, not up.¹⁵

Conceived in this context of difference, Henry George’s wider argument about labor in *Progress and Poverty* is consistent, and opposed to the Hittell-Hopkins proposition of deflation. In this connection the California illustrations and allusions are unusually plentiful in *Progress and Poverty*. Why had wages been high? Because in the placer-mining days miners had had direct access to land. In the early days there had been no monopolization of resources, and both wages and interest had been high. The current of Henry George’s argument is toward the economy-of-abundance ideas of more recent economics. In George’s view, the people should work, capital should invest; no owner should have the power to withhold resources. Such a combination would permit the more ethical order he desired.

Finally, on the great question of the public interest in the land, I wish only to point out that, although *Progress and Poverty* uses very little local illustration on this point, the California environmental influence is none the less very suggestive and very large. George’s plea is largely ethical and moral. Land includes all the resources of the earth, says Henry George; it is God’s gift to humanity; a human being has right of access to it; this is as much a natural attribute of his being as any other natural right, such as freedom to speak or even freedom to breathe. More concretely, every family has a right to a homestead plot; no individual has the privilege of withholding from use more of God’s bounty than he actually needs. Henry George supports this plea by reference to the history of property. In refreshing difference from most Americans, he found a correct principle in the feudal age: in those days a fief had been conceived as a trust; in other words, possession had involved duties. He reserved his especial scorn for the lawyers. He blamed them more than anyone else for the muddy thinking that applied to the land those exclusive and sacred property rights which he agreed were appropriate to personal things and to capital. In his own words, “Historically as ethically, private property in land is robbery.”¹⁶

The land situation in California for a quarter-century after the American

occupation — Henry George's California years — is far too complex to formulate or summarize. But I must mention some of the things which caught George's eye. The miners in the placer mines, he said, recognized by a sort of folk wisdom the rightness of common property in the resources of the land. Under the local codes, the miner was allowed no more land than he could work, and he was allowed to hold it only while he actually worked it. His tenure was usufruct rather than ownership, and properly so. Henry George's line of thought was the controversial opposite of the policy urged by Hittell in the 'Sixties, namely, that the federal government should decide that the domain in mineral lands be granted in permanent private tenure. Hittell's argument, that social stability would come only after private ownership had been established, of course carried the day. Henry George's answer to Hittell, namely, that a system of usufruct, which would give security to improvements but which would deny any permanent unconditional ownership, would be adequate to attract capital, failed. The Georgist procedure of the single tax has never been applied to the mineral domains of the United States. On the other hand, the present conservationist principle of government lease of lands rich in subsoil resources is not out of line with George's principle of the public interest.

As for the great California stakes in non-mineral land, which are suggested by the large Mexican land grants, the railroad lands, and the school lands, and the sustained controversies over them, Henry George had declared himself in detail in the pamphlet, *Land and Land Policy*, of 1871. To him, of course, the appalling thing was the lavishness and carelessness with which the domain was granted away; it was all wrong that railroads, speculators, and other large holders were getting so much, and that the Republic took so little heed for the needs of tomorrow. In all the welter of controversy, his mind seized on two established policies that gave him leverage with which to attack the abuses and to develop his principles of the public interest. One is well known, the homestead policy, which had been enacted by Congress in 1862. That policy was not working well in California; and its very intention was to transfer the public domain to private owners. But in a rough and general way, the policy suited George: it was intended to give small tracts to great numbers of settlers. This was land for the people, just as his doctrine of public property in land and his proposal of the single tax represented land for the people. The other policy from which he could draw strength was inherited from the Spanish-Mexican origins of the state. Stemming from the feudal traditions of Spain, the old usage was that the pueblo (or town) lands of the Spanish frontier should be freely and fairly evenly distributed to the settlers. This expressed a policy for an economic democrat to seize upon. In common with at least two or three writers in the *Overland Monthly* and in *Hall's Land Journal*, Henry George's mind reeled at the implications of the pueblo-land policy, especially as they

might have been applied in the case of San Francisco. Suppose that the home lots of that big city had gone free to all the settlers; suppose that all the economic rent of the city's business sites had been diverted to the community! What a city of public improvements and community enterprises could it not have afforded to be! So ran Henry George's thought about the city he loved, and so he visualized concretely his single-tax principle.

Public ownership of the land was an actual "might-have-been" of San Francisco history. Such a system did not, of course, come close to political fulfillment. Political insiders, not the commonalty, got the city lots in the early years. But the pueblo-land policy nevertheless lay within the premises of public contemplation during George's early California years; and in certain relevancies and applications it actually received the sanction of United States Court decisions. Had the pueblo-land policy been decided in line with Henry George's logic and the logic of a few contemporaries, San Francisco would have become a single-tax city. A single-tax city, without the name, and without benefit of Henry George and *Progress and Poverty!* As it was, the opportunity missed presented an argument for George's principle.

IN RETROSPECT

There is now pretty well established in this country a habit of critical thought which Henry George would have accepted only with reservations. This is the habit which recognizes that one of the strengths of our national tradition is the persistence with which our leaders attempt to bring social theory to terms with conditions, and to elevate conditions into terms with theory. Thus, Jefferson is praised because he could phrase the logic and literature of the Declaration, and he could also plan successful land reforms for Virginia and successful institutions for the Old Northwest; thus, Lincoln is praised because he could be a successful emancipator and theorist of the Jeffersonian tradition, and also a war leader with high dictatorial powers; and Brandeis is praised because he managed to introduce statistical and other economic material as relevant to the theory and practice of law.

According to this standard of practical idealism, praise is due to Henry George in a proportion measured by his concrete understanding of California conditions. Social idealist he was, but by no means a wholly abstract, or an unobserving idealist. He did assimilate theory and fact; more particularly he assimilated Christian ethics, California economics, and democratic politics. He did this in a factual and systematic way which far surpassed, I think, his contemporaries of the Christian Social Gospel, located principally in the eastern cities. He belongs, in historic fact, in the intellectual, scientific, and revolutionary tradition of Thomas Jefferson, the American he admired above all others.

NOTES

1. Ralph H. Gabriel, *The Course of American Democratic Thought* (New York, 1940), pp. 198-204.
2. Charles and Mary Beard, *The American Spirit* (New York, 1942), pp. 364-373.
3. Merle Curti, *The Growth of American Thought* (New York, 1943), pp. 614-617.
4. Henry George, Jr. *The Life of Henry George. Complete Works of Henry George.* (New York: Library Edition, 1910), X, 349.
5. "Moses," pp. 14-15, in *Complete Works*, VII.
6. In *Complete Works*, VIII, 135-153.
7. "What the Railroad Will Bring Us," *Overland Monthly* (San Francisco), I (July-December 1868), 297-306.
8. *Ibid.*, p. 304.
9. As is well known, George's observation of social conditions in New York City, during a visit in 1869, was one of the experiences which turned his mind to large-scale reform.
10. Walter M. Fisher, *The Californians* (London, 1876), pp. 200-201.
John S. Hittell was the author of a *Brief History of Culture* (New York: D. Appleton, 1875).
11. *Progress and Poverty*, p. 23.
12. As Mill indicated his change of mind in a book review, George's ignorance of it does not make him guilty of a very serious sin of omission in his reading. See Mill, *Principles of Political Economy*, edited by W. J. Ashley (London, 1909), Appendix O, pp. 991-993. For a discussion of contemporary American opinion, which indicates that economists other than George were also rejecting the wage-fund theory, see Richard Hofstadter, *Social Darwinism in American Thought, 1860-1915* (Philadelphia, 1944), pp. 123-125.
13. *Hall's Land Journal* (San Francisco), July, 1878.
14. Hittell, *Resources of California* (1863 ed.), p. 304; *ibid.* (1873 ed.), p. 183.
15. C. T. Hopkins, *Common Sense Applied to the Immigrant Question*, p. 12.
16. *Progress and Poverty*, p. 333.