

1865—1868

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In December 1865 Henry and Annie George returned to Sacramento. Again the state capital had a job for him when San Francisco did not, and again an interval there provided a stabilizing period in the battle for a living.

It was a printing, not a writing, job. Probably some friendship or connection accounts for a bit of preferment: at any rate the work was state printing, getting out the documents of the biennial session of the legislature, which opened on 4 December. George was pleased, and he now wrote his sister Caroline in much the same tone as he had written Jane when happy about an earlier new job: 'I am, for the present, only ambitious of working, and will look neither to the right nor to the left until I have "put money in my purse" — something it has never yet contained. I have abandoned, I hope, the hand to mouth style of living, and will endeavour, if not absolutely forced to do so, to draw no drafts on the future.' In accord with his recent resolutions about being social and making contacts, George in Sacramento belonged to the Odd Fellows and the National Guard, and attended the Lyceum, where matters of public interest were debated.

An early incident of that program tells the story of Henry George's first positive response to a specific economic idea. One

William H. Mills, later a high official of the Central Pacific Railroad, addressed the Lyceum in favor of the protective tariff. He spoke with knowledge of the *laissez faire* economists in the back of his mind — Smith, Ricardo, and Malthus. But the American nationalist, Henry C. Carey, was his mentor, and Mr. Mills stressed ideas familiar in California: that a protective tariff was 'best calculated to produce the broadest industrial skill of our people, develop the natural resources of the country ... confer the

highest intelligence ... and generally confer industrial and commercial independence upon the country.'

These had been Henry George's own Republican ideas. We have his acknowledgment that, when the Confederate raiders were destroying trade, he considered 'their depredations, after all, a good thing for the state in which I lived ... since the increased risk and cost of ocean carriage in American ships [then the only way of bringing goods from the eastern states to California] would give to her infant industries something of that needed protection against the lower wages and better established industries of the Eastern states ...' He had even regretted that the federal constitution prevented a state tariff.

But the protective argument backfired that night in the Sacramento Lyceum. Mr. Mills gave the audience a favorable comparison of the nationalism of the tariff with the cosmopolitanism of free trade. Then, according to the speaker's recollection and friendly judgment of his opponent, George thought fast on his feet. The young printer asked the audience to reject Mr. Mills's preference. He pleaded that protective tariffs were causing 'antagonism between the nations,' and had 'augmented their selfishness' and 'made standing armies and vast navies necessary to the peace of the world.' He contrasted 'free trade, as an evolutionary force,' one which 'made nations dependent, promoted peace among them, and urged humanity on towards a higher plane of universal fraternity.'

It is sometimes forgotten that free trade was the economic dogma second in prominence to the dogma about land in George's ultimate economic teaching and preaching. The episode in the Sacramento Lyceum gives chronological first place to free trade. Though we have no evidence from which to explain the inner reasons for a crucial change in Henry George's mind, the voicing of that change does fix the date of his first taking initiative in economic thought;

he did this a year earlier than his first writing about land policy, and two or three years ahead of his first questioning the rightness of private property in land. Nothing could have been more characteristic of George as an economic thinker than this beginning. Now as later his economic perceptions were inseparable from moral perceptions, in the working of his mind, and economic ideas once accepted assumed with him the force of moral law.

During this nine-month period in Sacramento, George carried on his writing according to program. Before he left that city, both the 'Dust to Dust' story and one other, his third and last in the vein of the mysterious and supernatural, had been finished and printed. 'The Prayer of Kakonah' he constructed from a legend he must have picked up in British Columbia; it is the only piece of his early writing that pretends to moral wisdom. In the allegory as George told it, Kakonah was an Indian chieftain who had learned 'all that can be learned.' When he died his people prayed the Lord of Life to let him come back awhile, for there was no successor to govern wisely. But only seven days of return to earth showed the folly of the arrangement. In Kakonah's heart, now that his natural task was finished, all 'his wisdom seemed foolishness, and his power was weariness ... Where the Master of Life has set bounds, let none try to pass.' So reflected Henry George, fifteen months after the death of President Lincoln, on the limitations of wisdom and the necessity of a people's producing new leaders for new times.

By midsummer, a year after the fiasco of the Brontes expedition, he had his second try at journalism. This time the Sacramento *Union* took his articles; and, though the pen name he adopted for the series, 'Proletarian,' suggests a reversion to pro-labor preaching like that of 1865, much of what he wrote was quite different from anything up to now. In a sharp criticism of President Johnson, George took the side of the Radical Republicans and presumed for the first time to pass judgment on issues of constitutional procedure. Another article, closer home, criticized the administration of the state library in Sacramento. A splendid kind of public institution and worthy of tax support, he agreed, but the poorest proletarians would be glad of a slight extra public expense if it would make the books available when they could use them, after working hours. Between pieces for the *Union*, George reported the state fair in

Sacramento, including remarks on the productivity of the economy of California, for one of the San Francisco papers.

He was reaching out in every direction and, had he continued freelancing and supporting his family this way and that, he would probably have tried a novel soon. He considered going east, after all. Yet he felt that

he could manage the transition into the kind of life he wanted better where he had made a beginning than where he would have to start at scratch. As he put the matter to his father: 'I want if possible, to secure some little practice and reputation as a writer here before going, which will not only give me introduction and employment there, but help me in going, and enable me to make something by corresponding with papers here. If I do not overrate my abilities, I may yet make position and money.' He was not being too optimistic. The editor of the *Union* commended him strongly for the 'Proletarian' articles, calling them 'clearly, forcibly, and elegantly written, evincing just views, thinking power, good taste, and excellent command of effective expression.' Henry George promised to make 'a valuable aid in the editorial staff of a daily journal,' this editor believed.

The wanted opportunity came in November. On the fifth of that month an independent Republican paper, the San Francisco *Daily Times*, a newspaper completely of the new dispensation of California politics and journalism, brought out its first issue. Likely the paper was owned in part in Sacramento, or at least was planned among Republicans in the capital city. George knew about it long beforehand certainly, and applied for a position as 'reporter or assistant editor.' And, though warned that he was taking considerable chance in moving and though hired at first for the composing room, still a printer not a journalist, George went hopefully back to San Francisco. For once his optimism was justified. His best hope of late summer, 1866, that by early the next calendar year he would be earning \$50 or \$60 a week writing for the *Times*, proved to be only four or five months ahead of the actual fact.

A public disagreement between prominent people thirty years later, about who deserved the honor of having introduced Henry George to editorial writing, tells us something about that debut. Undoubtedly James McClatchy, the first editor of the *Times*, for a short term absent from the Sacramento *Bee*, was the man. According

to information in the *Bee* years later, apparently written by his son, McClatchy and George were already friends when the *Times* was started; and, when the printer asked for a chance to show what he could do, McClatchy gave him some reporting and moved him into the local room, and very soon assigned him editorial writing. One guesses that George had

talked things out with McClatchy before coming to San Francisco and had been given reasonable assurances that he would have a chance to write.

Noah Brooks, the second editor-in-chief of the *Times*, claiming to have been Henry George's Columbus, seems rather to have been his second discoverer but to have been actually the first to advance him to place and responsibility. At any rate, after McClatchy quit the *Times*, George returned to the composing room without other assignment, and he was there when a foreman called him to Mr. Brooks's attention. At first meeting the editor held off. He thought that the young man's writing on affairs might have been plagiarized; and, as he noticed the unimpressive physique, the thinning hair, he was skeptical. But very soon he had George regularly on editorial work; and shortly, after a death on the staff, George became the third-ranking editor. This rise accounts for a major event of George's life, occurring in June 1867, when a disagreement with the directors caused Noah Brooks and his first assistant to quit, as McClatchy had done. At that point, at the age of twenty-eight, Henry George became managing editor of the most interesting paper in San Francisco.

Unlike Sacramento, the great port city during the Civil War had not had a strong newspaper to speak the advanced Republican mind, zealous against slavery and ardent to make the South conform with the economy and civilization of the North. The first issue of the *Times* announced that it would assume that kind of spokesmanship. In the vein of policy which history names 'Radical Republican,' the paper's own words of 5 November 1866: 'The *Times* will be pronounced [sic] to aid in securing to the Republic and to mankind the legitimate fruits of our victorious arms, and to maintain the control of the State and the Nation in the hands of unquestioned loyalty.' And three days later, an editorial said, more specifically, that though the Confederates had surrendered they had not yet accepted the spirit, and whole intention, of the North. 'They yielded to our stronger arm, but not to our higher

civilization ... New ideas, new feelings, new leaders and new laws, must supplant the old. The conflict of ideas rages and will rage; but reason, general information, political integrity and the persuasive ballot, are the weapons of our new warfare.' Later, under Brooks, the *Times* spoke for

Negro suffrage and civil rights, though somewhat vaguely: ‘Political as well as physical bondage must be annihilated.’

Radical Republican politics and journalism has been much discussed of recent years, often in terms of Thaddeus Stevens, as having lacked the sweetest disposition, as having been needlessly unforgiving toward the recent enemy, and as having incorporated so many self-seeking and corrupt special interests of North and West as to have invalidated its claim to speak a true national idealism. Even after the most adverse judgment of the movement as politics, however, individual Radicals do still command respect as idealists and reformers. Senator Charles Sumner belongs among the sincere trampers of the vintage; and so does Representative George W. Julian of Indiana, the abolitionist who continued to fight for human equality, as spokesman for land reform and women’s rights. Especially when considering the Pacific coast, where the Radical Republican frame of mind naturally lacked much interest in the persecution of defeated Confederates, the idealism of the movement demands high rating. In the West as in the East, Radicalism had power to ignite consciences even against Republican party leadership, and sometimes did.

In this area of opinion the *Times* began. Its editorials demanded reforms reminiscent of the labor propaganda of the Jackson period, and they called for policies quite opposite to recent Republican statute making. It developed the logic of free soil to speak for free land, and even free trade — in this not at all like Thaddeus Stevens. An editorial of 13 December, for instance, under the cautious title, ‘The Amelioration of Customs Duties,’ explained that ‘the abstract principle of free trade is manifestly a correct one.’ Working from a phrase Henry George might have written (and there is an indeterminable chance that he *did* write it) — ‘Restrictions upon trade and commerce are as antagonistic to the principles which underlie and facilitate the onward progress of the higher forms of civilization, as restrictions on the normal rights of man are destructive to the advancement of human liberty’ — the *Times* came out for

downward revision of the customs duties. So arguing, it reported on, and followed the logic of, Commissioner David Ames Wells, a supporter of President Johnson, in tariff matters. That is to say it went with the most informed and liberal American thinking of the day.

The *Times*' turning to Wells, we may note, was like Henry George's later habit of studying that economist's federal and New York state papers; and probably it set the habit for him. The same may be said of the newspaper's coming out in favor of a slow and socially conscious policy of paying the federal debt from the Civil War years. Very rapid payment, however gratifying to creditor interests, would, the editorial page said, penalize the present generation which has already borne an incredible burden of war suffering. Too fast payment would raise taxes, restrict immigration and land settlement, and generally constrict the economy — a forceful argument which appealed to George, and which twentieth-century readers will understand.

Enough has been selected from the comment of the *Times* on national issues, before George took over editorial responsibility, to represent its line of thought and to suggest the heterodoxy of its Republicanism. The paper is so remembered in the larger history of journalism in city and state. Though it never made money, it achieved a reputation for good writing. And, under its too rapid succession of notable chief editors — McClatchy, Brooks, George, and Dr. Lewis Gunn, three of whom reached fame in the field of writing — the paper stirred the community. The power-conscious proprietors of the *Bulletin*, the city's most entrenched newspaper and a dull one, admitted some admiration of the *Times*, while George was editor. When the paper failed, in 1869, an Oakland paper summed up justly. 'The *Times*,' it said, 'certainly did much to improve journalism in this state by exciting competition; had it been more vigorous, and marked out a field for itself, instead of following in the tracks of the *Bulletin* and the *Alta*, it might have made an early success.'

Being on the *Times*, then, meant for Henry George that his first editorial responsibility occurred in a vortex of idealism and economic-mindedness, as was very appropriate to his own ideas. We shall need to return to his leading editorials of 1867 and 1868 to see how he developed those attitudes. But, wheels within wheels,

this phase of his thought cannot be studied with proper understanding of his intellectual growth unless it be connected with his opinions at the time concerning important state matters. California affairs were now so special, and so intense, that an analogy from George's childhood suggests

itself. In much the same way as Low Church evangelicalism had once penetrated his mind, and almost against his will created values for life, so now the problems of California's society and economy took over, to be mulled and generalized for many years to come.

Specifically, these were the questions of labor supply and wages, and of land settlement, land policy, and landed property, and they comprised the very essence of current history in the state. Though earlier in life, beginning in Australia, he had noticed some of the unstable social phenomena of new-settled lands, and though for a long time now he had heard predicted disturbing possibilities for California's future, he had never thought about such matters in any sustained way. Now he had little choice. All manner of writers judged the state to be tossed and bobbed in a tremendous economic storm. This was the period in California affairs when, as in the case of no other state in the union, state boundaries defined a region of economic as well as political development. At that time, during the lifetime of the *Times*, editorials in all the main newspapers, and thoughtful books as well as pamphlets, assessed economic problems: so it was really a huge debate of policy which George entered, ambition aflame, in 1867. An historical parenthesis is required, to explain that debate, before we can understand his role as editor, and still more to explain the ideas his mind presently grasped to hold for life.

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It will do no harm to say again what Californians have been saying happily for nearly a century, that during the ten years (and more) after the Gold Rush the state accomplished some of the most incredible feats of social and economic building of nineteenth-century history. How could one think differently from the Methodist missionary, the Reverend Mr. William Taylor who, in the year of Henry George's arrival, reviewed California's progress during the '50s? The miners in the Sierras, this parson observed, 'are a hardy, muscular, powerful class of men, possessing literally an

extraordinary development of hope, faith, and patience, and a corresponding power of endurance. They have in my opinion done more hard work in California, within the last eight years, than has ever been done in any country by the same number of men, in the same length of time, and

I think I may safely say in double that length of time, since the world was made.'

What is easily forgotten about early days in optimistic California is that, even in that first American decade, the ugliness of the economic process set off criticism in force. A full ten years before Henry George turned somewhat gloomy prophet, a famous minister, Horace Bushnell, who came from Connecticut's land of steady habits and formal villages, protested what the miners were doing to the mountains of the state. The erosion and defacement wrought by diggings, sluices, and flumes were running wounds in nature's breast, to Bushnell. Not the first, he was one of the early eloquent contributors to the cause of conserving the natural resources of California. Even the literature of criticism assumed often that the state could be made into a kind of utopia.

Henry George's life and thought would have been vastly different and his writing would have been less substantial if the regional discussions had not come rapidly down to earth and sometimes been done in a very expert way. In general, the economics of colonization was the appropriate language. Not differently from Iowa and Minnesota at the time, California was reliving, as all American communities have, the old story which had begun on the East coast two centuries earlier: settlement first, with labor and capital risked in hope and expectation; then stages of economic growth toward community productivity, solvency, and a degree of independence. But uniquely California had become a state almost as soon as she became a part of the United States; and her incomparable resources of gold and silver were expected to make her economically independent. These two factors made for an early sense of independence and vigor. And at the same time, the origins of the people who rushed to California — North and South American, English and continental European, and Asiatic — were so disparate as to prevent the occurrence of any future intimacy between the state and any older state or region of the United States such as connected, say, Wisconsin with New England during its early development. Credit came as settlers did, from London and

Paris notably, as well as from across the continent. California was a part of the United States, but as an economic enterprise it depended on the whole capitalistic colonizing world.

This set the frame of economic thought and made natural a rapid development of ideas. Broadly speaking, the 1850s produced promotional economic literature; and the 1860s produced the first sustained flow of economic self-criticism and particularism. Of course these two types of ideas overlapped: a certain amount of criticism, like Bushnell's, cropped up early; and promotion kept up in the '60s, as it has ever since. Nevertheless a distinction of attitude between the '50s and '60s is valid. American history bears a long-run analogy: during the period commonly called colonial, from Queen Elizabeth to George III, first, a century of promoters from Hakluyt to Penn advertised America to Europe; and, second, a group of protesters, among whom Franklin and Jefferson take first rank, argued the side of America's free development and separation from the mother country. Roughly the same alternation occurred in California, but in a cycle of two decades rather than two centuries: a change of impulse, from simple expansion to sentiment in favor of economic solvency and autonomy.

Two illustrations from 1851 will show how early and how naturally, once gold and climate were discovered, California seized men's minds as a place where might be tried daring solutions of economic problems. The first is a letter, now one of the fascinating originals in the Huntington Library, from a statesman and spokesman of the Old South, James Gadsden, to Thomas Jefferson Green, a leader in the California state legislature when it was very new. Gadsden asked for help in getting a big land grant. As he specified: 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. To come to California from South Carolina, Gadsden proposed to march with a company of immigrants in military order, all the way to whatever location, presumably on the San Joaquin, might be selected for settlement.

At first twentieth-century glance, the Southerner's scheme seems preposterous. By provision of its constitution California was a free-soil state; and, even if that provision could have been nullified,

the free-labor customs of the mining society would have made western soil poisonous for transplanting a growth of the Old South's slave economy. Even so, James Gadsden's letter today represents more than simply that

California evoked imaginative varieties of economic planning among ambitious citizens, a century ago. Though Gadsden failed, many a Southerner did transmit plantation mores to the state, and adapting those mores — raising other crops than cotton, using Chinese coolies instead of Negro slaves — set a permanent pattern of large landholding for California's agricultural society. In time nothing would annoy Henry George more than this silent, little-challenged victory by the plantation system, so opposite to his own convictions.

A contrasting northern instance of blueprinting an ideal future in California appears in a pamphlet published at Benicia, on the straits of Carquinez, before that little town had had its brief day as state capital, or had lost its hope of enormous development. The author was one J. J. Werth, otherwise remembered only as a writer for the *Alta California*. His title, *A Dissertation on the Resources and Policy of California, Mineral, Agricultural, and Promotional*, forecasts many a later and weightier volume. 'Progression, Progression,' he prophesied as 'the Destiny of California.' In three years since 1848 the state had accomplished what elsewhere would require a generation, he believed; and in the early future it would achieve a diversified economy, ample railroads, and cottage residences for a happy population. Thus, opposite the slaveholder's, a freeman's dream. A couple of years later a New York lawyer, E. S. Capron, noticed that San Francisco was already manufacturing jewelry at an amazing rate, and said that the suburbs of that city promised to develop like Birmingham or Pittsburgh — a prophecy of present-day industrialization on the fringes of the city.

At least as early as Henry George's arrival in San Francisco, the promotional stage of regional economic thinking had achieved both quality in performance and popularity of interest; and, in the case of one famous writer, the critical spirit too had struck hard. The signs of popular interest occur everywhere: in the little newspapers which employed Henry George, for instance, and in books, and in the major literary magazines, such as the *Pioneer*, *Hutchings Illustrated California Magazine*, and the *Hesperian*, which published many an article on questions of economic development and

condition. On the side of book publishing, the French economist, Ernst Seyd, brought out in London in 1858 a detailed economic description, *California and Its Resources, a Work for the Merchant, the Capitalist, and the Lawyer*. To capitalists of roving eye, M. Seyd presented California as ‘the fairest and most fertile’ land on earth. Interest was made to beckon at 2 or 3 per cent per month; living was represented as cheaper than in Australia, and labor as better paid. To this writer, and to other French writers, the growing cities of the state, with grand opportunities for profit and promises for culture, were peculiarly appealing. This emphasis of course designated one of the special phenomena of California’s frontier growth — cities ahead of countryside. This too we shall find important in the mind of Henry George.

Earlier than the social criticism of the ’60s, the mordant writing of Hinton Rowan Helper tells us all we need to know about the arrival in California of the economic objector’s point of view. The famous North Carolinian’s California book, *The Land of Gold, Reality versus Fiction*, published in Baltimore in 1855, won him less reputation than *The Impending Crisis in the South*, partly because in California he made his one-man attacks for the losing not the winning side. If others were promoters, he was the demoter of California. He hated San Francisco for the cold and fog, and he detested the speculators and exploiters in the state’s economy. Somewhat foolishly, Helper went to enormous lengths of statistical demonstration to show that California was an economic failure: the costs of acquiring the land, plus the expenditures of emigration from the eastern states, plus labor spent in California were a miracle of waste, to this writer. As outgo they added up to a total greater than the value of the mineral wealth which California had returned to the world to pay those costs: the deficit as of 1855 he found to be 60 millions. Helper’s use of figures was absurd. But as in his antislavery writing, the cantankerous Southerner had a point not to be dismissed because unpopular. He saw in the speculation and monopolism of California the oppression of free labor, much as he saw in slavery the oppression of white labor in the South. He conceded that California’s ‘spacious harbors and geographical position are her true wealth.’

Though there is no evidence that George ever read Helper or Seyd, or even knew of Werth or Gadsden, his protest and his utopianism

about California came in time to overlap their ideas, and to continue some of them. Professor Paul S. Taylor has wisely noticed that, though California as a sovereign state was confronted by complex social problems which rose in chronological series — slavery or free labor in 1849, Chinese admission or Chinese exclusion, during the '60s, '70s, and early '80s, and land monopoly or free land, a perennial issue — the series embraced just one basic issue: 'What kind of a rural society do Californians want?' Professor Taylor might permit reducing the question to simply: 'What kind of a society do Californians want?' At any rate, the 1850s were confronted with major choices. Then in the '60s, Henry George's decade of finding himself, new writers whom he did know, and journals which he did read, and to which he occasionally made contributions, brought the problems into the focus of the changing times. We have seen already, in terms of George's being employed and unemployed, what perilous and depression-filled years the middle '60s were.

Three books of the decade sum up the advance of regional economic analysis. Beginning in 1863, their chronological order is also the order of their importance in policy discussion, as follows: 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); and Bentham Fabian, *The Agricultural Lands of California; A Guide to the Immigrant as to the Productions, Climate, and Soil of Every County in the State* (Bancroft, 1869). All these were published in San Francisco, not in Europe or in the eastern states as such books often had been in the previous decade; and the authors were all men of much experience and observation in the state. Hittell was by far the best-known and most influential man of the group. As an editor, and a contributor, for years, of economic writing to the *Alta California*, his doing a book on *The Resources of California* was, in that time and place, like, say, Walter Lippmann's doing a book on foreign policy today: it was the gathering of tested data and the publishing of a widely accepted set of ideas. Looked at in the perspective of later time, his book ranks with Professor Ezra S. Carr's *Patrons of Husbandry on the Pacific Coast*, 1875, which included broad discussions of agriculture and

landholding in California; and it ranks with the seventh and final volume of Hubert Howe Bancroft's *History of California*, published in 1890, which contains remarkable chapters on contemporary agriculture, manufacturing, business, railroads, mining, and city-growth in the state.

Were this a general history of economic thought in California, a dozen reasons could be discovered for a close examination of all these regional descriptions, histories, and programs. As we are concerned, however, with the frame and setting of one young editor's discovering his role, we may be guided by the time factor. In 1867, when George took over the *Times*, Hittell's was the only one of the three major economic descriptions of the decade already in print. That writer's own words indicate that he regarded himself as a promoter, and he was much like Seyd and other writers of the '50s, although he was also much more critical than they. 'I write of a land of wonders,' he said. 'With many drawbacks, which have been set forth clearly and unreservedly, California is still the richest part of the civilized world. It possesses most of the luxuries of Europe, and many of the advantages which the valley of the Ohio had forty years ago. In the few years of its history it has astonished the world, and its chief glories are still to come.' Hittell and Cronise and Fabian alike put out a very literate propaganda and information that was encyclopedic. Lengthy chapters on the geology, zoology, botany, agriculture, and mining of California were not too much for the writers and readers of the '60s. The improvement over the effusions of J. J. Werth was enormous.

On the critical side, no other regional analyst was quite so severe as was Hittell, and he spoke more strongly in the first than in the later editions of his book. In that edition he demanded no less than a transformation of the state's economy. What was wanted may be understood by analogy with the Radical Republican program for reconstructing the South. To replace the instability of the economy created by the Gold Rush, the *Alta California* writer — and, more mildly, the others also — proposed to encourage social growth based mainly on homestead agriculture, and also on diversified, settled, and productive industries. With variations of their own, Hittell and the others offered the northern conception for the state, not different in principle from Werth's, but now rendered in detailed blueprints. A grand increase in farming, to put to use the state's

promising soil and climate, was their principal idea. From that would flow food for the cities; there would be rural markets for industry; and prosperity and loyalty would flourish among the people. Hittell proposed this without especially idealizing farm life, and he certainly did not slip over into radical ideas about property in land. He hoped for prosperity in the mines as on the farms; and he saw the future arriving with deep digging already displacing placer mining, and with more capital equipment being taken into the Sierras. His goal for California was Hamiltonian, or Whiggish rather: a balanced economy, with city and country, extractive industry and refining industry, transport and commerce, labor and employment, all in sound relationships with one another.

Thus, for the long term, the grand strategy of California's economists was based on achieving balance and prosperity by expanding the underdeveloped sectors of economic life. Ideally, according to prevailing economic ideas, the reaching of such a goal would not prove too difficult, but be a more or less automatic evolution. New doses of immigration and investment, the usual tonic for faltering colonies, could be expected to provide the stimulus. But present realities were hard, and the depression of the 1860s fore- bade leaving the matter on a completely *laissez faire* basis. For the time being the automatic flows were running in reverse: more emigrants were leaving the state than there were immigrants arriving. According to Hittell, a quarter-million workers, representing a million population, had recently departed. So a crisis operation was called for by the doctors — such economic surgery as would stop the bleeding. Once stability was accomplished, the international flow of credit and of population movement could be counted on to nourish California back to health.

This was the general position of economic expectation at which the three principal regional writers converged in agreement, all of them bringing out books within short years of George's beginnings as writer and editor. Strikingly they agreed also about the point indicated for surgery. The situation of land distribution and land policy, they all said, was the festering sore — the specific removable cause of California's depressions and unemployment. In his *Resources of California*, Hittell told the world that

‘the unsteadiness of business and the lack of employment of recent years’ could be traced mainly to the ‘want of unquestioned ownership of the soil.’

Settlers, he charged, had been driven unjustly from the land they occupied, with such disastrous results for themselves, and with such a huge destruction of values, that fifty years of peace would be required to place California where otherwise it would at present be, in point of economic stability and security. Hittell placed the responsibility on Congress. The famous act of 1851, intended to settle land titles, had really upset them, he and many others asserted. That national politics had most particularly damaged the regional economy was common conservative belief in San Francisco.

Since so much of the story in the next few chapters develops the idea of the magnitude of land problems and the seriousness of land policy in California, we need to notice, at this point of Henry George’s entering the debate, only that there were present in the state several varieties of political opinion on the matter, and that opinion reflected several facets of actual abuse. McClatchy’s *Bee* was already as aware of the problems of land monopolization as any of George’s papers would ever be — McClatchy himself had taken personal part in squatter riots near Sacramento, during the previous decade. And in the early ’60s a vigorous lobbyist, George Fox Kelly, took up the fight for dispossessed squatters in northern California, and appealed their case in the federal courts and to President Lincoln. The ‘most gigantic fraud organization ever known upon earth’ had deprived the people of that part of the state of rights in land which properly understood were inalienable, said Fox in his *Land Frauds in California*.

Viewing the state-wide problem (outside the cities) in the most general way, and with the guidance of recent historical research, we may picture a mountain phase and a valley phase of the land question. In the Sierras, the gold miners had set the pattern of landholding in their own way, without benefit of official surveys, registrations, or the taking of titles. Squatting on domain lands, they had simply established mining districts and district regulations, on an entirely voluntary basis. These procedures were well adapted to placer mining, a stage in which men were many and capital goods few. In due course we shall find Henry George praising the mining-district regulations as democratic, and as a successful system of landholding

in use, rather than in ownership. But to Hittell and his conservative kind such arrangements were insecure and adverse to capital investment, and unfavorable to permanent settlement and family life in the mountains. Presently Congress did pass a law of the kind Hittell believed in, and freehold tenures, a protection to mining-company investments, became the normal thing in the mountains.

As for the agricultural valleys of the state, Hittell reviewed hard conditions and unintelligent policies. As present-day scholars agree, many of the richest and most convenient farm lands had been granted before 1846, in large and unsurveyed holdings which were intended for Mexican cattle ranchers; these holdings had been recognized by the treaty of Guadalupe Hidalgo; and the federal legislation of 1851 had provided that the Spanish and Mexican grants be examined and confirmed. Thus some of the causes of land aggregation were inherited from Mexico. But as modern scholars also agree, the processes of confirmation had been long and drawn out; they had been so managed as to destroy or place a shadow on titles which should in justice have been valid; and, instead of a normal process of breaking up the Mexican holdings by rapid sale, insecure titles had prevented sales to farmer-owners and had led to all sorts of irregularities — monopolistic speculating, squatting and the evicting of squatters, and tax dodging. Under unhealthy conditions land engrossment had reached proportions under American law never approached under Mexican law, and had entrenched itself in a way particularly repulsive to the settler, and peculiarly difficult to amend.

Hittell's answer to the problem of the aggregation of agricultural lands was the same as his answer to the unusual situation in the mountains. Apply the traditional American system of fee-simple ownership, he advised, and he suggested no further steps in land reform. He did recommend minor reforms of other kinds for stimulating California's economy: to cut out the 'forestalling' or cornering practices of the merchants of San Francisco, which placed unnatural restraints on trade; and to change the West coast habit of depending too much on long-term big-credit operations in business. He also proposed policies, not his alone, which George would later resist strenuously: reducing the interest rate and reducing the rate of wages. Hittell was a deflationist, all round, and one who put much reliance on *laissez faire*. His argument for fee-simple ownership, without further steps

to break up the big holdings, rested on that basis. Security of ownership, and a reputation for security,

would bring to the state an adequate flow of new settlers and new investment, he believed, and in that way California would soon have the 'permanent improvement, and all these blessings of inestimable value which come only with fixed and happy homes, and the best regulated social order.' In a free, secure market he expected the oversized landed estates to break up by reason of transfers of title, which would occur through sales and inheritances.

To sum up: in 1866 and 1867, when the *San Francisco Times* was taking hold, the problem of land monopolization in the state had been thoroughly discussed. Since by this time the federal courts had at long last given a series of rulings on the Mexican titles, and since, as we have seen, Congress had decided on fee-simple landholding in the mineral-bearing region, the conservative, *laissez faire* answer to the land problem was due to have an extensive trial. The problem of insecure titles had been reduced; the problem of engrossment remained. In San Francisco there was no strong voice, yet, for extensive land reform; the strongest in the state was that of Henry George's friend, James McClatchy.

But at this point, when discussion of land issues might conceivably have quieted for a period, a political situation blew up in San Francisco which, had it been so intended, could hardly have been more accurately designed to heighten the implications of land-title problems before the public eye. A legacy from the Spanish past, this particular land problem was a little different and a little more spectacular than any such problem ever faced by any other city in United States history — unless possibly Los Angeles is a rival in this respect as in others. The public question arose: Did San Francisco as a community own in perpetuity the land onto which urban growth was inevitably pressing it? If possibly Yes, would the rising values of the land actually accrue to the city's credit? Or, if the answer was No, must land speculators and withholders, in a particularly unsavory spot, make a killing according to an American custom which was especially active in California?

To understand how a question of publicly owned land could arise in practical affairs, we must take a last glance at how the United States

acquired California, and sense the strain on ancient institutions when Americans burst upon the thinly settled Mexican domain. From Spanish origins descended the tradition that community settlements, called *pueblos*, were provided by the king with

grants of four square leagues of land — the equivalent of 17,636 acres. The principal question which this legacy placed before the United States courts was whether or not San Francisco had actually been such a *pueblo* and now retained such an endowment or the residue of such an endowment. There is no need to enter the historical and legal complexities of the issue here; it will suffice to record simply that in the end the federal-court ruling was affirmative: San Francisco had been a *pueblo* and did still possess certain lands in public ownership on that account.

This decision bore a moral suggestion of San Francisco's wealth and responsibility. And quite naturally it involved political consequences. Once the principle was acknowledged, that San Francisco did possess a public domain of its own, the question arose whether the city's property right devolved upon the individuals who had occupied parcels of the old *pueblo* land? The case was not entirely analogous to settlers squatting on, or making purchases from, or establishing homesteads upon, the national domain. United States policy favored quick settlement and individuals taking ownership on domain lands. But the debate about San Francisco's *pueblo* rights, in the courts and on the press, acknowledged that Spanish usage had assigned the *pueblos* a function somewhat like that of steward for the king, and that individual settlers became the occupants and users of land, rather than owners in fee simple. The guaranty in the treaty of peace with Mexico, which promised that the United States would honor prewar property rights, could, moreover, be read to mean that the city of San Francisco owned its domain in perpetuity and could not rightfully permit any of that land to fall into private hands.

But Americans arriving in San Francisco of course never acted in that manner. Even before the Gold Rush, large 'alcalde grants' so named from the Spanish title of the American officer who issued them — gave permanent titles to United States settlers. Speculation boomed; scandals occurred; litigation went on; and legislation to give firm titles seemed necessary, in both Sacramento and Washington. Certainly there is no other situation in the American record, to which a leading lawyer could refer in a

court brief, as William J. Shaw did to this one, in 1860, as follows: ‘Thousands of our people in the oldest settled counties have been educated into the belief, and today confidently believe, that the towns and villages

existing in California actually owned the lands within their boundaries.’

Long before 1866 the courts made durable law of the early *ad hoc* actions concerning *pueblo* domains: private holdings were ruled to be valid as they had devolved through the city’s officers from a royal grant of Spain. But in that year the possibility of San Francisco’s retaining and operating at least a residue of city-owned land arose once more. This occurred when municipal authorities demanded that the ‘outside lands,’ so called, 7000 or 8000 outlying acres near the ocean front, which were claimed by private persons, be retained for the public. In this litigation a famous California judge, Stephen J. Field, who is remembered for his later career on the Supreme Court as a strong spokesman for *laissez faire* economics and law, had the final word. Presiding over the United States Circuit Court in San Francisco he issued decrees, not visibly in the *laissez faire* spirit, upholding the city’s right. And later, in Washington, when it seemed likely that the Supreme Court would reverse the decision, he drew the bill which California members introduced in Congress, and which as passed gave the city quiet title to the outside lands.

Today the fraction of the *pueblo* lands that remains in actual public ownership is Golden Gate Park, designed by Frederick Law Olmsted, and for many years one of the most beautiful places of public enjoyment in the country. More important than the park, for Henry George or for any reflective mind, from this legacy of California’s Spanish past, was the residue of thought — the city that might have been. Suppose that four square leagues of land, radiating from the center of San Francisco, had in actual history been converted into a public reserve, its rents all going to the city treasury, its benefits all accruing to the people’s immediate use, and that use determined by the processes of government rather than those of private ownership! This was an idea for the social imagination to seize and not forget.

Henry George's navigating the many-forked stream of California economic discussion waited, of course, on his assuming responsible control of the *Times*, in the summer of 1867. The first editorial he did, while working under McClatchy's supervision, has a present-

day interest because it concerned American relations with Russia. Three years earlier, when, in a well-remembered international incident, squadrons of the tsar's navy had shown up in New York and San Francisco, their coming had been widely interpreted as expressing a sense of alliance between the United States and Russia. Both of those nations were in serious trouble with Great Britain at the time; and the *Alta California* and other California papers went with the prevailing opinion, as they printed editorials of sentimental friendship between the two.

So likewise Henry George in 1866. He saw the analogy between Russia's expanding east and south, and America's westward movement. He sensed a connection between that country's natural economic growth and its internal reform, as the near coincidence of American Negro emancipation and the tsar's freeing the serfs in 1867 suggested. Better Constantinople in Russian Christian than in Turkish hands, George thought; and wiser for the Western powers to watch with equanimity while Russia built her railroads and improved her social system and government, than to try to circumvent her. This first editorial gives an accurate clue to Henry George's belief, a representative American one, that the Old World was accelerating its march toward liberalism and democracy. Almost a prophecy of his own role in 1882 and after, George editorialized in the *Times* on coming liberations in Europe, especially as the English working classes were now reading the lessons of the Union victory in the United States.

Before George assumed control, the *Times* took an editorial line on the economic problems of the state that in some respects paralleled and in others departed from the Hittell line maintained in the *Alta California*. Land problems, though the paper could rehearse the *pueblo's* history from first to last, McClatchy did not make particularly prominent in the *Times*. In common with the writers of regional economics, the paper bespoke anxiety about the return east of California's immigrants. As a prime remedy it proposed a policy, which Henry George was later to attack, that 'State or National authorities, or both combined' should subsidize the bringing of impoverished Europeans to the state.

As for steps that would help to keep the present labor force in California, the *Times* favored moderately the eight-hour work day, which was just taking hold in the California unions and in politics.

To the *Times*' way of thinking, labor's best hope of improvement lay in the long-run benevolent operation of impersonal economic forces — in the growth of technology and in the supply-and-demand processes of the employment markets. It lay very little in trade unionism or in labor legislation; and the working man's best chance for advancement was to be found in education for the masses and in some participation in the co-operative movement. On the point of improving the condition of seamen — and we can only guess that George was the writer on the subject — the *Times* did take a fighting pro-labor stand. Yet it acquiesced in the Chinese coolie immigration, and in general pattern of policy, the *Times* stood quite close to the *Alta* in 1866 and early 1867.

When George took charge, the editorial concern of the *Daily Times* enlarged with respect to matters of land more than it changed in any other way. We cannot say that this meant that the managing editor had discovered his ultimate focus of interest. It is more likely that the award of the outside lands to the city and city and state politics forced the matter on George, or rather on the *Times*, than that he took great initiative. For now that the lands were legally in San Francisco's domain, the question was whether the city and the state legislature, between which authority was shared, would conserve them for the public good, or whether they would permit another round of distribution to engrossers and graft.

In July 1867 was formed a Pueblo Land Association, the one object of which, according to its advertisements, was to defeat land grabbers by securing the 'free distribution of the unappropriated lands of the *Pueblo* in small tracts to those of its inhabitants who need and will occupy them as homesteads.' Again the Spanish custom was appealed to; the gift of the king was read as *in trust* to the *pueblo*, the lands not to be squatted upon or speculated in, but to be administered for the benefit of the people. The association arranged 'large' meetings in August. At one of them Governor Low presided; and a judge made a principal speech. At another meeting, with bonfires, fireworks, and a brass band, Senator John Conness took credit for having prevented very large speculators from getting control of land belonging to the public.

Henry George's *Times* went no further than the *Alta* when, on 31 August, it applauded Senator Conness and approved the work of the Pueblo Land Association to keep out the speculator. Thus

far it was on the common line. The paper's liberalism came to the fore when it supported the bill drawn up by the association for the state legislature. More than just providing for homestead lots, the Pueblo Land Association would have established several sizable permanent city-owned areas: two 500-acre parks, a 200-foot drive and six plazas along the beach, and space for public schools, a college, firehouses, charitable institutions, and churches. The association wanted land classified for commercial use to be auctioned, and the remainder to be distributed gratis as home lots, to those who would build houses worth \$200 or more. These proposals sound very much like the future Henry George, and the *Times* praised them, in an editorial of 14 December and at other times, as promising San Francisco a future as 'the greatest, most beautiful and most independent city in the world.'

But the idea was too advanced, required too much state restriction on business operations, for San Francisco and California in those days. The city supervisors issued a famous order, no. 733, which, except for one park, made little reservation for the public and approved private grants without regard for size. The *Times* complained for the ordinary citizens, to whom this perfidy seemed to mean the difference between a 'home or no home, ownership or rent, independence or poverty.' In the issues of 14 and 24 January 1868, it said that a few speculators, men who might have placed a 'ribbon fence' around huge blocks of land, would now become 'millionaires in a short time.' Perhaps this was Henry George's very first comment on the 'unearned increment' of land values in modern city-growth.

Though, in the final step, the state legislature did approve Order no-733, the result was not as bad as the *Times* had anticipated. 'A powerful organized interest has moved both bodies, and stripped the people of their land,' said the paper, on 25 March, in first hot grief. 'The consequence is that the city of San Francisco, with the richest patrimony of any city on the continent, will be compelled to buy back, for public uses, a few of her eight thousand acres.' On this point the editorials in the *Alta* expressed great satisfaction; titles had been rendered firm, that paper noted, and some reservations for public use, including a 1000-acre park, would serve the city

well. When the politics of the matter had cooled, the *Times* acknowledged some satisfaction in the park. From editorials of this

time we may note that in the beginning George's ideas about urban land came close to land-use planning; and we may anticipate that, though in the modern sense he never became an economic planner, this affinity of ideas would always persist.

In the education of Henry George the cardinal suggestion of the San Francisco *pueblo*-land problem was of course that the public ownership of land had and could become an actual issue in politics: he learned this almost certainly before he had even heard of the Ricardian theory of rent, or of any proposal, after Ricardo, to capture economic rent for the public. The *pueblo*-land question had an incidental effect of making contact for him in San Francisco's Democratic politics. Against a different story in the *Bulletin*, the Republican *Times* had given Mayor McCoppin credit for having gotten a ruling through the supervisors which secured to San Francisco a certain reservation of land. Henry George's editorial, 'Honor to Whom Honor Is Due,' even though due a Democrat, brought an appreciative letter from the city hall. Actually this was the second round of an exchange between editor and mayor; and their correspondence is the first sign of Henry George's turning aside from the Republican party to the party of his father and Andrew Jackson, as a possible instrument of California reform.

On other phases of the land problem, the *Daily Times* under George had its say, piecemeal as the controversies arose. A series of editorials in March explained and approved proposals before the legislature, which were more or less identified with ex-Governor Milton Latham, and with W. C. Ralston, the glittering president of the Bank of California. The scheme was: to have enacted provision for railroad rights of way and space for terminals in San Francisco, on terms that would encourage the railroad company to skirt the bay and lay track up the peninsula and into the city, and yet would keep within the city, and out of the coffers of the railroad, the benefit of increasing land values near the railroad installations. As in the case of the outside lands, the *Times* took the side of the city's interest. And, on the broader front of the use of agricultural land, the *Times* complained that the very slow dispersal by sale of the Mexican ranchos to immigrant farmers,

notably in the Los Angeles and San Bernardino areas, was retarding the settlement of the state.

The young editor threw his weight, too, on the level of national policy. On 2 June 1868, not long before he left the *Times*, he wrote strongly against the gift of federal lands in support of state colleges, the historic policy of the Morrill Act then half a dozen years old. Not that this was a new idea; many objectors, earlier than he, had seen that the Morrill Act favored eastern states more than western, and land speculators more than anyone else. Now the *Times* found it working that way, as operators were engrossing huge chunks of college land in the San Joaquin Valley. Of the prices at which they were selling to settlers, five dollars or more an acre, only a fraction, which the paper estimated at twenty-five to sixty-five cents an acre, was reaching the colleges. This meant that the government's donation was operating as a tax on settlers in California's central valley: the labor of California farmers was supporting schools that were for the most part in the older states and was making rich an absentee class of landlords.

This complaint against the Morrill Act makes a good resting point for the first phase of the development of the editor's ideas about land and land policy. Entering objection, he had shown accuracy and insight. Today high authority supports George's judgment. Professor Paul Gates's researches have recently shown that the Morrill Act has been honored above its deserts; that while doing something for education that law also strengthened a most undemocratic landlordism in American society.

George also showed reach of mind. In the editorial last quoted, discussing the wasteful hurried distribution of San Joaquin Valley land, he inserted a warning: 'And when we cease to have cheap land we shall realize in full force the social evils which affect Europe.' This sentence expresses the anxious thought George was going to make central in *Progress and Poverty*, Book VII, Chapter V, eleven years later; it pinpoints a perception that helped make Frederick Jackson Turner, twenty-five years later, an illuminating interpreter of the nation's history. It is probably impossible to say which anxious observer of American nineteenth-century life happened first to think it necessary to change from Jefferson's hope — that free land would make the republic strong — to Turner's fear — that the end of free land would begin the withering of our liberties and equalities. But so far as California is concerned, Henry George was the early eloquent speaker.

Written in a context of economic troubles, his editorials had by 1868 set him on reconaissance for the

lifetime mission not yet disclosed: his personal war to bend to compliance with democracy the land institutions and policies of the United States, and of other countries.

Watching this fast development in the young editor, we have seen no reason yet to call him a radical, or to say that he differed from, more than he resembled, his contemporaries of the conservative San Francisco press. Yet the process of Henry George's becoming different, of being a dissenter rather than a conformist, did begin at this time. An interesting early indication dates from June 1867, the month in which George assumed his editorship, when the *Alta* ran a few editorials, probably written by Hittell. These pushed the idea that local wage rates were much too high for California to succeed industrially, in competition with low-wage areas in the eastern states. The *Alta* ridiculed the labor unions' eight-hour program, which the *Times* half-liked; and one of the editorials drew heavily on the wages-fund theory of contemporary economics to assert the priority of capital over labor. Though admitting a mutual dependence — 'Capital cannot reproduce itself without labor, and labor cannot be put into action without capital' — the commercial newspaper argued that capital maintains labor (from the wages fund) until the product becomes exchangeable; thus capital is the essential and controlling factor in economic production. On 8 August another editorial predicted that before long the California labor market would be invaded from outside, and the state would gain by reason of the fall in wages.

Though the time would come, Henry George was not yet ready to buck with opposite theories either the wages-fund theory or the iron law of wages. But he was willing to debate with the *Alta*. How ignorant that paper was, answered the *Times* of 9 August, to think that a result 'detrimental to the interests of the workmen ... *would be* a great boon to the *State at large*.' The 'fundamental principles of political economy' protested such an absurdity. Then followed, I think for the first time, Henry George's economy-of- abundance ideas which he later developed in his books. 'The interests of the State are the interests of its citizens — the greater the rewards which labor receives, the higher the estimation in which it is held, the greater the equality of the distribution of earnings and property, the

more virtuous, intelligent and independent are the masses of the people, the stronger, richer, and nobler is the

state. Free trade, labor-saving machinery, co-operative organizations, will enable us to produce more cheaply, and with a positive increase of wages; but it would be better for California that she should retain only her present sparse but independent and comfortable population, than that she should have all of England's wealth and millions with all of her destitution and pauperism.' It would be interesting to know what writers or books George had in mind as the sources of his 'fundamental principles of political economy.' Perhaps he had drawn on some ideas of Wells or had been influenced by Henry Carey. His editorial reads more like the 1930s than the 1860s, and more like Henry George's future books than like the British treatises on economics which might have come most readily to hand for reference.

The *Times* of course celebrated early in 1868, when the state legislature passed an eight-hour law, and almost simultaneously Congress prescribed eight hours as the working day for federal employees. The state law had too little force to deserve much praise; but even so the *Times* was happy that it had become policy to promise working people leisure, 'in which to learn, to think, to plan, and to invent.' Since labor's human rights had been an article of George's social faith from the time he began to have one, there was nothing new in his holding this opinion; but it was important for his development that at the time when he was achieving stature as an editor and was entering into prominent controversy, he asserted simultaneously land-reform ideas and pro-labor ideas, just as his Jacksonian predecessors had done.

Outside the orbit of questions of the California economy, yet not far afield, and nearly as important for George as he entered his career, a number of questions tangential to land and labor came up in 1867 and 1868. Railroad policy was one. Before he took control of the *Times*, the paper had criticized the federal government's donation of lands to the projected, now building, transcontinental line. The *Times* professed satisfaction that there should be some public subsidy, as the roads were sure to benefit western growth; but it gave reasons why bond credit would have been a sounder procedure than huge gifts of land. Federal assistance should be extended 'with a view mainly to reclamation,' it said on 2 March 'and not to enable

corporations or individuals to take advantage of its munificence to promote selfish speculative designs' —

a proposition which, in the light of railroad history and economics, seems not to have been as obvious then as it is today. Rates were another problem involving government policy. That tariffs on California's new and still unconnected lines were five times as high as in the East, though operating expenses were only a little more, was the *Times*' opinion. After George took control, the paper spoke for a rate-fixing commission in the state, on the order of a Wisconsin proposal. Thus a future spokesman for government ownership of all utilities that are natural monopolies began on a pragmatic level he was a spokesman for immediate, practical, public controls over railroads, in 1868.

But he did not halt with the immediate. In a way that was prophetic, both of national events about to occur and of his own development as thinker, he discussed the conflict of interests natural within the railroad business — and in more recent times, in all big business — between the managers and the owners of corporations. The *Times* considered the proposals of state ownership of railroads which were being advanced in England; and reviewed also the idea, presently put forward by the *Sacramento Union*, the now disillusioned pro-railroad paper, that the United States ought to run the railroads. The *Times* own suggestion was a little special, an idea Henry George most likely drew from the public-works canal and railroad system which the state of Pennsylvania had operated between Philadelphia and Harrisburg during his childhood. Let the railroads be a kind of highway, he proposed in an editorial of 28 April 1868. Let the army make the surveys and lay out the lines, and let the roadbed be built and maintained by private capital on a contract basis. Then let the rolling stock be operated by those who wish to ship privately, and by others who would contract to offer public transportation on appropriate terms.

This was George's first pronouncement on the public ownership of railroads: an archaic half-way proposal brought forward from the Jacksonian day of America's earliest steam transportation. It suggests his future, for he was never really to like either full private ownership and control, or full state ownership. Railroad policy would be a wobbly point with him for life. But he would not wobble on all ideas of public ownership, least of all on the telegraph system. An editorial of the *Times*, brought out

five days earlier than the one on railroad ownership — and notably a full year before his

famous New York fight with Western Union officials — called for a publicly owned and operated telegraph system, a system to be run by the United States Post Office as an adjunct of the regular postal service.

Of the many signs, in the *Times*, that Henry George, still under thirty, was growing fast and gaining confidence as a commentator on economic affairs, none is more convincing than a series of editorials on a question somewhat removed from the main concerns of the California economists. These were printed under the heading, ‘The Currency Question,’ during the last days of April and early in May 1868. Here George set forth a very full elaboration of the paper’s established idea that paying the Civil War debt should be a gradual process and should not be hastened and made upsetting to those who, by living and working through the war period, had already paid dearly. Questions of public debt and debt policy are always complex, and notwithstanding that at the time of writing George had still ahead of him most of his lifetime’s reading in economic treatises, he wrote his editorials in language that was about as technical as any he ever used. It seems wise to discount his own assertion, late in life, that he had been the original author of the ideas of federal finance which he developed in the *Times*. Not unlikely he owed, and later forgot, a debt of ideas to John A. Ferris, a San Francisco contemporary who wrote on public finance in a vein very similar to his own. But the greater possibility would seem to be that he adopted ideas currently being debated in the eastern states, especially Ohio. This was the time when the so-called ‘Ohio idea’ sponsored by George H. Pendleton, earlier a Democratic member of Congress and later a senator, was very prominent; and the *Times* in fact acknowledged a debt to the Ohioans, though it mentioned the Republican senator, John Sherman, rather than the Democratic leader.

The nub of the *Times*’ proposal — and a point which has a familiar ring in 1955 after a dozen years of Defense Bonds — was that United States bonds and United States money be made readily convertible, the one into the other medium of credit, the bonds to be purchasable in the ordinary routines of business by any who wished to buy. Like the Ohioans, the *Times* plotted a mid-course between such currency contraction as was national policy at the moment, and such impulse for paper-money inflation as certain

Mid-westerners were beginning to demand. As a Californian and as a pro-labor editor, George had two governing reasons to believe in gold and silver as being the only sound money desirable for the long-run policy of the country. The silver-and-gold-producing state never used any other kinds. And, from the days of Andrew Jackson's struggle with the Bank of the United States, and especially since the appearance of the democratic money theories of Edward Kellogg, which the Ohioans were reviving, American labor had distrusted anything resembling an upper-class manipulation of credit conditions — that is how labor saw the existing system of national bank notes and depreciated greenbacks.

Very skillfully, within these lines of commitment, George argued in the *Times* for discontinuing the national banknotes (this meant reducing the powers and profits of bankers), for making the greenbacks issued by the government the one paper currency, for bringing the greenbacks gradually into equal value with gold, and for having federal money always convertible into bonds at a minimum interest rate, and bonds convertible into money. Interconvertibility would mean that all the people would have resort, in foul economic weather or fair, to a place of safe investment and a just return on savings; and that, in expanding times or as they wished, people could shift from federal credit into private investment and business operation. This was rough-hewn equilibrium economics indeed, by today's understanding of that subject; but equilibrium economics it was, a vein which George explored no further until the very end of his career as writer. His intention of 1867, to promote the people's independence from bankers as credit monopolizers and manipulators, is apparent in the terms of the articles.

In August 1868, with a good first crop of economic opinions raised, Henry George quit the *Times*. He did so without a summary or valedictory such as he came later to like to write, whenever occasion offered. But he could have made a considerable claim. He had taken a Radical Republican paper and maintained to the end its essential politics. A May editorial had regretted that President Johnson would probably not be convicted in the impeachment trial. Yet in the same month the *Times* denied being the 'organ' of any group and claimed to be 'an independent paper,' committed to ideas generally like those of Horace Greeley. This self-judgment rings true to the paper's record of wanting co-operation with re-form-minded

Democrats, and true to the economic policies of the paper. The notions of Liberal Republicanism, already forming in the East in the minds of such men as Greeley and David Ames Wells, better express the direction of George's *Times* than does any other political line.

Though there is no ground yet for talking about any system of Henry George's ideas, he himself was perfectly aware that he was finding a role in a tradition of protest. On his first Fourth of July as editor — under the title, 'To What Are We Drifting' — he placed the *Times* in the current from Andrew Jackson. Only the iron will of that fighter in the White House, he had the paper say, had dethroned the second Bank of the United States. Jackson's war against those who would have let American wealth and power be aggregated in the hands of a few was the *Times'* answer to the question asked by the editorial. 'Capital is piled on capital, to the exclusion of men of lesser means, and the utter prostration of personal independence and enterprise on the part of the less successful masses ... In what manner should an individual employ the resources which Providence has entrusted to his keeping? Is he justified in using them to his mere personal advancement to the injury of his less favored fellow beings, by interfering with their political rights?' Nearly every economic editorial in George's *Times*, whether the matter was land or banking, wages or railroads, said one thing: Defeat the monopolizers, let all the citizens have access to the bounty of nature.

Within the not narrow area of his regional perceptions, Henry George did do a summary of his thinking of 1867 and 1868. This was his justly famous article, 'What the Railroad Will Bring Us,' written in anticipation of the great coming event. It was the leader in the fourth issue, October 1868, of the *Overland Monthly*, the new journal which — with the masthead phrase, 'Devoted to the Development of the Country' — quickly achieved stature as the best of the California magazines, in form and style much like the solid eastern reviews. Appearing there, Henry George was keeping company with his recent boss, Noah Brooks, one of the editors, and with John S. Hittell, Mark Twain, and Bret Harte, whose 'Luck of Roaring Camp' had appeared in an earlier issue.

A complacent Californian, George took for granted all the material bounties and developments commonly claimed for the state.

The Great West he conceived as the richest part of the country, and its resources such as to command a flow of capital and labor from abroad 'like pent-up waters seeking their level.' The Central Pacific and Union Pacific system, when completed, would just about fulfill the speculator's hopes. San Francisco must become the second, and possibly the first, city in the country. Look at 'the geographical position of the city, and all doubt of the future rank will be dispelled ... the irresistible tendency of modern times is to concentration.'

From regional patriotism to regional utopianism, George moved with the current around him. 'What constitutes the special charm of California, which all who have lived here long enough feel?' he asked himself. Not climate, 'heresy though it be to say so'; not the absence of social restraint; not the chance to make money. Not local attachment, for California is deficient in context and 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,' and in that 'certain cosmopolitanism' which 'the peculiar conditions of the young state' were bringing out. George wished to find a precise name for the sense of independence and equality prevailing in California, 'born of the comparative evenness with which wealth was distributed,' or at least of the even caprice by which men were one day well-to-do and the next day deprived of wealth.

But he did not relax his anxieties and criticisms. Working from the economics of the *Times*, he quarreled in the *Overland*, as earlier, with the 'certain school of political economists' which deplored high wages and high interest rates. High rates he asserted to be good: they were signs of natural wealth and effective production. The true evils, he said again, were speculation and monopolization. The fact had to be faced that great and potentially good forces in the economy made for concentration: 'The locomotive is a great centralizer. One millionaire involves the existence of just so many proletarians.' Beware of the 'law that wealth tends to concentration,' George told his readers, for it works in California as everywhere else in the modern world.

The sum of his judgment he rendered as a warning: nostalgia for what was passing, and fear and hope mixed, for what would come. San Francisco had already missed a chance which could never be recaptured. By failing to take up the *pueblo* lands 'in time and in a proper spirit,' the city had let go

an opportunity for having ‘a population better, freer, more virtuous, independent, and public spirited than any great city the world has ever seen.’ Would the state as a whole do better? George predicted, ‘No.’ The coming railroad, though its benefits be acknowledged, would level California with the outside industrial world. Wages would fall. Especially because of the Chinese immigration, the labor problem would demand public attention. As ‘we cannot escape the great law of compensation which exacts some loss for every gain,’ Californians should anticipate that personal independence would diminish. Though universities and libraries would rise, and arts and letters flourish, class distinctions would also mount. And, for the city especially, ‘the political future is full of danger.’ More than ever, an ‘enthusiasm of humanity’ would be needed to keep the promise of California life.

These were accurate prophecies of 1868. Depression and Kearney’s type of labor politics, which we would now call fascist, would ride within a decade. The Nob Hill mansions would go up. And, in the same ten years, the University of California would rise, the Lick bequest for science be made, and the San Francisco public library be founded. Concerning all these events Henry George would have his say, and through them all increase his anxieties. With a mind bigger than Hittell’s, and a paper livelier than the *Alta California*, he would sharpen his challenge.