

## CHAPTER II.

### STRIFE AND THE NATURAL ORDER.

1869-1871.      AGE, 30-32.

**W**HEN Œdipus, in Greek mythology, travelled towards the city of Thebes he found widespread distress from deaths wrought by the monster Sphinx, who had the body of a lion, and the head, breast and arms of a woman, and who put a riddle to all approaching, which not to answer meant to be hurled headlong from the rock where she abode. Many had tried, but all had failed; and through the country as Œdipus moved on came constant lamentation and constant warning.

Henry George walking through the streets of New York, had seen the want and misery wrought by the Sphinx of modern civilisation, and as if to keep him strung to nervous tension and ever mindful of his vow to charge the monster and solve the problem, Adversity kept close to his heels. For when he got back to San Francisco, the pressing personal question was, what was he to do?

But he was not one to wait for something to come to him. He at once got an anti-telegraph monopoly resolution introduced into the legislature, and this being popular, was easily passed. Next he sketched out several magazine articles on the Chinese question, (though none of these were ever finished); and wrote several editorials

for the "Evening Bulletin," for which he was twice urged to go East as special correspondent, but refused. For awhile, hard pressed for money, he went into the composing room of the "Herald" and set type. Something over \$700 was still owing from that paper on his back salary and various accounts in New York. Nugent getting into a rage when the money was demanded, George retaliated by wiring Hasson to stop the news service. Small though that service then was, its absence was a great loss to the paper, and Nugent came partially to terms, yet did not settle entirely until George sued out an attachment. In the middle of August (19) George wrote to Philadelphia:

"As for me, I am doing various miscellaneous work; just now for a few days editing an Irish Catholic paper for a friend.<sup>1</sup>

"I go around very little—not as much as would be wise, I presume, and pass most of my evenings in reading, something I have not done much of for some years—not a tenth part as much as I would like to."

One of the books he read, and was "much impressed" with, was "Lord Chesterfield's Letters," entering in his pocket diary: "*Suaviter in modo; fortiter in re.*" The diary also announces that on July 30 after dinner, he went to his room to read, "fell asleep, and was nearly suffocated by gas"; for the supply, cut off at the meter during the day, was turned on as night approached, and the cock in the room having by some chance been left open, allowed free escape. This was in the old Federal building on Washington Street, where Mr. George at the time was rooming. His wife heard nothing of the matter until long afterwards. But she did hear something from him that gave her deep pleasure.

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<sup>1</sup> The paper was the "Monitor," and the friend, its editor, John Barry.

Acting upon an idea thrown out in a letter from New York to Sumner, Mr. George had got his friends to work for his nomination on the Democratic ticket for the Assembly. Presently he wrote to his wife that her uncle, Matthew McCloskey, who had not exchanged a word with them since the runaway marriage, was showing active hostility by working against the nomination. Next day the husband wrote that he had been misinformed; that Mr. McCloskey was working for him, not against him, and singing his praises for character and ability; and that they had become reconciled. The friendship thus renewed was of the strongest kind, Matthew McCloskey on his death-bed six or eight years later commending his family to Henry George for counsel.

Mr. George's desire for election to the legislature was more than a vague ambition to get forward in the world. For the young man, though he had not yet come to clear ideas on the social problem, had in his mind's eye, as may be judged from his editorial and correspondence experience, a mass of matters to press for legislative attention; and as for big things, there were the anti-telegraph, anti-express company and anti-railroad fights to make, and it was also quite evident that something should be done to discourage the massing of land in California into great estates. But disappointment was in store. He failed to get nominated, or rather, he could have been nominated but refused to pay the assessment asked by the party managers, and that ended his hope for the candidature.

The disappointment was all the harder to bear because it came at the end of a line of failures since his return from the East. He had succeeded neither in making any permanent newspaper connection, nor in getting started in a higher literary field. He had not even contrived to make a good living, getting a mere hand-to-mouth subsistence.

And now the political view had been cut off. The future looked dark, indeed. The one chance seemed to be in the East, where a place on John Russell Young's proposed paper was held out, Mrs. George, who was beginning to develop a lively interest in public questions and to enter understandingly into her husband's ambitions, having written in August (15):

"Mr. Hasson spent two or three hours with us this afternoon. He is a firm friend and ardent admirer of yours. . . . He says that John Russell Young is going to start a hundred thousand dollar paper in the fall, and will want your services, as he thinks there is no one like you. Hasson says that Young told Greeley that when he let you go he let go the very man he had been looking for for two years."

This newspaper project of Young's seemed the only but yet very slender hope, for New York was very far away and the plan a thing nebulous and uncertain. He was greatly dejected. His plight, as he said afterwards, was like that of a traveller on the plains, a mountain range in front. The mountains rose wall-like against the distant sky—unbroken and too high to scale. But as he advanced, a cleft appeared and then deepened and widened into a pass. For in the midst of his depression came a call to him from an unthought of quarter.

Through the organisation in San Francisco of a branch of the American Free Trade League, whose headquarters were in New York, Mr. George came into touch with the Governor of California, Henry H. Haight, regarded by many as the ablest executive the State has ever had. During the war Haight had been a strong Republican, but he revolted against the policy of centralisation and special legislation that followed. He espoused the principles of

Thomas Jefferson and became an avowed Democrat and an out-spoken free trader. Henry George had gone through precisely the same kind of political change. While on the "Times" he wrote many editorials supporting principles and measures leading away from the Republican strict party policy, and as a consequence even then was "rapidly becoming disgusted" with that party. He voted for Grant for the Presidency in the fall of 1868, only to see the soldier, as he expressed it, give himself up to his political friends, so that Mr. George concluded that "the Republican party had served its purpose," that it had become chiefly a party for special interests.

Now, across San Francisco Bay at Oakland was a little Democratic paper called the "Transcript," owned by two men, Hiram Tubbs, proprietor of the leading hotel and much real estate there, and John Scott, a prosperous carpenter and builder and prominent as a politician. Scott was a colonel on the staff of the governor, who thereby was indirectly interested in the paper. Indeed, he and Scott had looked about for a good Democratic editor, and judging of George's principles and abilities by his Chinese article and his editorials in the "Times," and coming in contact with him through the organisation of the Free Trade League, concluded that he was the man they sought, and the position was offered him. He accepted and his name appeared at the head of its editorial columns.

Henry George's connection with the "Transcript" was short, but was marked by three important events. It was then that the John Stuart Mill letter came. Mill was at the zenith of his reputation, so that it was with keen pride that this young country editor published in the columns of his paper a letter that set all the papers of the State to buzzing.

It was also at this time that Mr. George made the ac-

quaintance of William Swinton, brother of John Swinton, the well-known radical of New York. William Swinton was born in Scotland in 1833, was well educated, finishing at Amherst College, Mass.; at twenty wrote a large part of a book, "Rambles Among Words"; later held a professorship of ancient and modern languages; during the war made a brilliant field correspondent for the "New York Times"; afterwards wrote two authoritative works, "Campaigns of the Army of the Potomac" and "The Twelve Decisive Battles of the War"; and in 1869 had come to California to accept the chair of English language and literature, rhetoric, logic and history in the University of California, then just being founded at Oakland. He was a man of wide reading in the field of *belles-lettres*, of quick mind, fine taste and copious suggestiveness; and though sprung from, and following the schools, formed a close affinity with this young editor, who could not boast of ever having had any college connections. Then and in the years following Swinton drew George out and encouraged him to aim at the higher domain of literature.

But more important for the young editor than anything else that occurred during the "Transcript" period was the solution of the Sphinx's question, the discovery of the natural order; the answer to the quest he had set himself in the streets of New York—why poverty accompanies wealth in advancing civilisation. It came about through a trifling incident. Mr. George had now commenced the habit of horseback riding—a habit that continued intermittently for nearly ten years. At any hour that he was free and had the inclination he would hire a horse and find mental change in a lope into the open country of the foothills. But wherever he rode, one thing faced him. The trans-continental railroad system had been completed, only a few months before the last spike, made of gold, hav-

ing been driven. The California terminal was at Sacramento, and there was a ferment over the proposal to extend the line to Oakland. A very general belief was that the advantages from the railroad would be so important as rapidly to attract population and form a great city in and about Oakland to compete with San Francisco. Land at even far-removed points therefore rose to extravagant figures. Men made themselves "land poor" in order to get and to hold as many feet or acres as possible in anticipation of the rise in value that a swelling population would make. Speculation in land ran far in advance of its use.

Amid these circumstances Henry George went for a ride one afternoon. Of this he has said.<sup>1</sup>

"Absorbed in my own thoughts, I had driven the horse into the hills until he panted. Stopping for breath, I asked a passing teamster, for want of something better to say, what land was worth there. He pointed to some cows grazing off so far that they looked like mice and said: 'I don't know exactly, but there is a man over there who will sell some land for a thousand dollars an acre.' Like a flash it came upon me that there was the reason of advancing poverty with advancing wealth. With the growth of population, land grows in value, and the men who work it must pay more for the privilege. I turned back, amidst quiet thought, to the perception that then came to me and has been with me ever since."

This truth was to dwell in his thoughts and slowly develop for a year and a half, when it should burst into expression. Meanwhile Governor Haight's political plans matured. He determined to broaden out his fight against the Central Pacific Railroad which now, like a monster of fairy lore, had swallowed, or was about to swallow,

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<sup>1</sup> Meeker notes, October, 1897. Also see "The Science of Political Economy," Book II, Chap. v, p. 163.

great and small competitors, and all things else that could be useful or that got in its way. Public feeling expressive of resentment at the encroachment on popular rights began to appear, and Haight, sharing this feeling, gave definite form and direction to it by attacking the railroad's subsidy policy. The railroad was gulping down lands, bonds and money showered upon it, all the while like a weakling pleading for more. The plain and palpable fact was that leaving out of consideration the imperial endowment in lands, it had already received several times more money, or what could immediately be turned into money, than was necessary to build the system, and that contemporary with the work of railroad construction had arisen the private fortunes of the big four manipulating the corporation—Stanford, Crocker, Huntington and Hopkins, who, from comparative poverty, had quickly risen to the class of multi-millionaires.

Aside from the principle of subsidies, these private fortunes were a proof to such men as Haight that the policy was wrong for California as a State to pursue, or to authorise its municipalities to pursue. He, therefore, prepared for war on the "Great Absorber," and invited Mr. George to take the management of the chief party paper at the capital, the "Sacramento Reporter," which, under the name of the "State Capital Reporter," had been edited by Ex-Governor Bigler, who now retired. The State Publishing Company was organised to publish the paper, and besides a fair salary, Mr. George was offered a fourth of the stock. The rest was to be held by some of the Governor's political friends. Mr. George was ready to leave the "Transcript," as his relations with Colonel Scott were no longer pleasant. He accepted the "Reporter" offer and in February, 1870, moved to Sacramento and commenced work in his new field.



Soon after Mr. George took charge of the Sacramento paper a press war opened and he got into the middle of it. It was nothing less than a resumption of the fight against the Western Union Telegraph Company and the Associated Press. A new telegraph system, the Atlantic and Pacific, had entered the field against the Western Union Company. Discontent among the old newspapers and needs of the new ones seized this channel for news competition by the organisation of the American Press Association as a rival to the Associated Press. It was made up of a lot of strong journals in the East and started off under favourable auspices, with John Russell Young, who had just started his New York "Standard," as president, and John Hasson, as general agent. Indeed, Hasson had largely, if not chiefly, to do with the organisation of the association, and in turn acknowledged that he had got much of his experience and preparation under George, when they were warring with the Associated Press and the Western Union Telegraph Company for the San Francisco "Herald." Young and Hasson at once chose George for their California agent.

Mr. George drew a number of papers into the new association, starting with his own, the "Reporter," and including Charles DeYoung's paper, the "San Francisco Chronicle." The Franco-Prussian war being on, foreign news was heavy; accordingly, the expense high. The price of the service for the California papers was advanced and the agent put the increase upon the "Chronicle," the paper which could best bear it and which got most advantage from it. But DeYoung made such an ado that George called a meeting of the papers' representatives. In one of his books, "The Land Question," to illustrate another matter, he in a veiled way told of what occurred at this meeting:

“Once upon a time I was a Pacific Coast agent of an Eastern news association, which took advantage of an opposition telegraph company to run against the Associated Press monopoly. The Association in California consisted of one strong San Francisco paper, to which telegraphic news was of much importance, and a number of interior papers, to which it was of minor importance, if of any importance at all. It became necessary to raise more money for the expenses of collecting and transmitting these despatches, and thinking it only fair, I assessed the increased cost to the strong metropolitan paper. The proprietor of this paper was very indignant. He appealed to the proprietors of all the other papers and they all joined in his protest. I replied by calling a meeting. At this meeting the proprietor of the San Francisco paper led off with an indignant speech. He was seconded by several others, and evidently had the sympathy of the whole crowd. Then came my turn. I said, in effect: ‘Gentlemen, you can do what you please about this matter. Whatever satisfies you satisfies me. The only thing fixed is that more money has to be raised. As this San Francisco paper pays now a much lower relative rate than you do, I thought it only fair that it should pay the increased cost. But, if you think otherwise, there is no reason in the world why you should not pay it yourselves.’ The debate immediately took another turn, and in a few minutes my action was indorsed by a unanimous vote, for the San Francisco man was so disgusted by the way his supporters left him that he would not vote at all.”<sup>1</sup>

This fight on the Associated Press and the Western Union Telegraph Company was kept up, so far as Mr. George was concerned, until the following spring, when he was out of the “Sacramento Reporter” and back in San Francisco.

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<sup>1</sup> “The Land Question,” Chap. XI; (Memorial Edition, pp. 60-70).

Meanwhile he had brought his family to Sacramento from the East, and with them his brother Vallence, and settled down at housekeeping. But now he narrowly escaped losing his life, for one day just as he was about to mount a horse for a ride, the animal jumped, and throwing him, dragged him for some distance before he could free his foot from the stirrup. He received a slight blow on the head and other injuries that were only temporary. That accident made him realise how uncertain life is, so that at once he got out an insurance, a thing that before this he had thought of but lightly. All through this period he was in regular and loving communication with his folks at Philadelphia, his father for instance writing June 2: "Your papers, after I have read them, I give to some good old Jackson Democrats, and many warm congratulations I have received that I have a son so bold and firm and consistent for the old Democratic principles."

The father truly characterised his son's paper. While it vigorously denounced "carpet-bag" rule in the so-called "reconstructed" South, it took high Jeffersonian ground on questions raising local issues. Of necessity the young editor was brought into close touch with Governor Haight, and through this intercourse became acquainted with Haight's private secretary, a young man named Edward R. Taylor, with whom he afterwards grew intimate, until, when "Progress and Poverty" was being written, Taylor was chief friend, critic and adviser.

First of all matters of interest at this period was the anti-railroad war. The Central Pacific had set its heart on a further era of subsidies. Haight set himself to kill the scheme, and with the scheme to destroy the principle in public estimation; for it was a generally approved principle prior to this, the Governor himself, having given his sanction to several subsidy bills in behalf of other corpor-

ations. Under his direction public thought became roused, the question entered politics and the railroad was suddenly conscious of formidable opposition—an opposition which had been awakened, aside from the Governor's official and personal efforts, largely through the columns of the "Sacramento Reporter."

The Central Pacific had become the overshadowing influence in California. It owned or controlled most of the press, swayed the legislature, bent the courts, governed banks and moved as a mighty force in politics. It was quick to recognise talent and as quick to engage or reward it.<sup>1</sup> Out of imperial coffers it had fortunes to bestow. With a word it could make men, and so far as the masses were concerned, could as easily break men. Of those who could not, or would not serve, it asked only silence, merely immunity from attack. Henry George had now come to have a recognised influence with his pen. What more easy

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<sup>1</sup> "Among the most prominent figures in the Republican national convention (1888) was Creed Haymond, chairman of the California delegation, and foremost among the 'boomers' of 'Blaine and Protection.' To those who knew him years ago it seemed a queer place for him to be. Creed Haymond is a Virginian by birth, and a Democrat by instinct and tradition. During the War, he was in California, a strong secessionist and afterwards was prominent and useful as an anti-monopoly, free-trade Democrat. He is a fine lawyer, a man of exceedingly quick and nimble mind, and like most Southern men of his class, a born politician. He rendered very efficient aid to Governor Haight in his struggle with the Pacific Railroad monopoly, and no one in the country could have better startled the Chicago convention with a Jeffersonian speech. But like many other men in California, Creed Haymond at length grew tired of what seemed an utterly hopeless fight, and the railroad octopus, true to its policy of taking into its service men of ability who might be dangerous to it outside, made him head of its law bureau with a salary of \$25,000 a year. Thus it comes that Creed Haymond makes his appearance in a national Republican convention at the head of a delegation representing the Central Pacific railroad ring."—Signed editorial by Henry George, "The Standard," New York, June 30, 1888.

than for him to be at peace with the great corporation, and obtaining some dignified place within its giving, as some of his acquaintances had already done, enjoy tranquil days, during which to develop his philosophy of the natural order to a readiness for launching when the favourable moment should come! But the young man was not to be tempted. The one course, then open for the railroad people was to buy control of the "Reporter," which they quietly did. George thereupon found himself to be editor of a newspaper whose policy he could no longer direct—a paper which by reason of its new ownership must favour the very interest which he had been so vigorously opposing. He at once resigned, sold out his fourth interest,<sup>1</sup> moved with his family to San Francisco, and took a little house on Stevenson Street, on the site since occupied by the Odd Fellows' building. This was in the beginning of October, 1870, nine months after going on the paper.

But if the railroad management expected in this way to silence the trenchant pen they made a mistake, for it was Haight's plan, as well as George's desire, to make the subsidy question the chief issue at the State election in the fall. Mr. George therefore wrote a sixteen paged, closely printed pamphlet under the title of "The Subsidy Question and the Democratic Party." The nature and tone of the pamphlet may be judged by the concluding paragraphs:

"Let us recapitulate:

"Railroad subsidies, like protective duties, are condemned by the economic principle that the development of industry should be left free to take its natural direction.

"They are condemned by the political principle that government should be reduced to its minimum—that it

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<sup>1</sup>The "Reporter" not long afterwards was merged in the "Sacramento Record Union," a strong railroad paper.

becomes more corrupt and more tyrannical, and less under the control of the people, with every extension of its powers and duties.

"They are condemned by the Democratic principle which forbids the enrichment of one citizen at the expense of another; and the giving to one citizen of advantages denied to another.

"They are condemned by the experience of the whole country which shows that they have invariably led to waste, extravagance and rascality; that they inevitably become a source of corruption and a means of plundering the people.

"The only method of preventing the abuse of subsidies is by prohibiting them altogether. This is absolutely required by the lengths to which the subsidy system in its various shapes has been carried—by the effects which it is producing in lessening the comforts of the masses, stifling industry with taxation, monopolising land and corrupting the public service in all its branches.

"But it will be said that the Democratic party is opposed to the building of railroads? On the contrary, should the Democratic party carry out its programme of free trade and no subsidies, it will stimulate the building of railroads more than could be done by all the subsidies it is possible to vote. It will at once reduce the cost of building railroads many thousand dollars per mile, by taking off the protective duty now imposed on the iron used; and the stimulus which the reduction of taxation will give to the industry of the whole country will create a new demand for railroads and vastly increase the amount of their business."

Haight so thoroughly appreciated the value of this pamphlet that he had a large edition circulated throughout the State as a campaign document. Bearing Henry George's name, it did much to extend and strengthen the reputation the young man had already won as newspaper editor and author of the Chinese article.

In June, 1871, the Democratic State convention met in San Francisco, and installing Henry George as secretary. nominated Haight for re-election as governor. There was some friction among Democrats over the radical issue, but the party generally being lined up squarely for a big fight on a straight principle, and he himself beginning to think clearly on the great social as well as the great political questions, Mr. George was even more desirous than he had been two years before to run for the legislature. On August 10 he secured a nomination for the Assembly in a San Francisco district and he made several speeches there and elsewhere. Again his hopes were to be dashed. At dinner time on election day he announced to his wife that the indications were that the Democrats were carrying everything, but late that evening he came home again in laughing humour. "Why," he almost shouted, "we haven't elected a constable!"

Haight had opened and pressed the fight—and George had taken an important part in it—that had stamped out the policy of subsidies in California; but the great railroad corporation had in turn thrown its gigantic power into the election and had cast Haight and his entire party into the dust of defeat. Henry George, whose pen had been so active, was a shining mark for the powerful company, and his vote did not rise to the average of the party Assembly candidates in San Francisco. His one personal satisfaction in that hour of defeat was that he had fought and lost on a principle.