

The San Francisco *Daily Evening Post* 1871-1874

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In the amazing surges of energy which have always given a special character to California's economy, the decades of the 1860s and 1870s displayed sharper alternations of excitement and depression than often occur in regional growth. As the story of economic criticism has told us, the slowing down of expansion during and following the Civil War caused such a darkening of outlook, in contrast with the 'golden fifties,' as to cast gloom on the long-run prospects of the state.

But many newcomers to California soon showed that the anxieties of the Immigrant Union had occurred too late to be effective in stimulating immigration and an economic upturn. At the end of the '60s and in the early '70s, just as the propaganda began to flow, people came in numbers again, without benefit of the legislation the union had asked, and the state entered a period of flamboyant prosperity. It was not all gaudiness and superficiality. For about five years the diversifying process, which all the economic diagnosticians agreed was necessary, accelerated promisingly: grain production increased, and so did meat raising and vine and fruit culture. Then this was the time of the incredible accumulations and expenditures of the bonanza kings of the Comstock, and of the 'big four' of the Central Pacific. Stanford, Huntington, Hopkins, and Crocker.

With profits flowing into San Francisco, Ralston and his Bank of California had their golden moment; the Palace Hotel was put up with its tier on tier of balconies, and the overstuffed houses were built on Nob Hill. For a breathing interval in 1873, California's boom seemed the brighter by contrast with the horizon of gloom, depression, and unemployment in the East.

Then, with a swifter impact on the state than any reverses of the preceding decade, bankruptcies in 1875 brought on new economic troubles

with a vengeance. Hard times raised a cry for deep reform. The legislature did nothing that made a difference. Kearney spoke, and the famous sand-lot riots upset San Francisco as it had not been upset since 1856. Alarm crossed the line from fears for prosperity to fear for the security of the community. A convention was called at last in 1878, and a new constitution was written for the state. At this point the affairs of California became working men's politics as well as farmers', businessmen's, and lawyers' politics. The state is governed today by the instrument, amended time and again, which was drawn up and ratified in 1879.

Henry George's career, as constructive successful newspaperman from 1871 to 1875, and as toiling author of *Progress and Poverty* from 1875 to 1879, corresponds to the phases of California history, precisely. He started his San Francisco life of the 1870s, it will be recalled, with something in the kitty for a change — his share of the gold pieces for which the *Sacramento Reporter* was sold. How far those funds went, and just how otherwise he supported his family is not at all clear. More than likely the coffers of the Democratic party assisted. Not only did George write *The Subsidy Question and the Democratic Party*; he gave considerable time to party business and apparently wrote Governor Haight's Jeffersonian-minded platform for the 1871 campaign.

Indeed George was politician as well as political thinker and writer that year, and his hopes for state office rose higher than in In February a supporter urged him to be candidate for the secretaryship of state. 'If I run for anything it will be for Congress,' he countered in humor, 'but whether for the upper or lower house I have not decided.' In June he served as secretary for the Democratic state convention, which met in the assembly chamber in the capitol and passed resolutions according to his inclination; and then he did run for a seat in the state legislature. Henry George, Jr.,

has it, as we may well believe, that the Central Pacific went for the scalp of the man whose opposition to subsidies had not been quieted by purchase money. But until election night George thought he would win. Then, according to the same witness, who should have been in bed at the time, his father came home agitated. 'Why,' he told his family in loud voice, 'we haven't elected a constable.' Meanwhile George did some magazine writing again. The February 1871 issue of the *Overland* carried

the last story he ever wrote from the yarns of his voyages in the '50s. This one, 'How Jack Breeze Missed Being a Pasha,' was an innocent blend of humor and adventure, unlike his earlier stories without even a suspicion of religious or ethical implication. His other *Overland* piece of the year could not have been more different. Since the subject was 'Bribery in Elections,' and in the article George declared for the Australian ballot, which would become the third main reform of his career in reform, we shall need to return to his argument in the proper place. Here the article concerns us because it helped boil the pot, and also because it gives the defeated candidate's second and hot reaction to the state election. San Francisco had been bought, he charged, by a 'more shameless and more extensive' use of bribe money than at any time since the Vigilance Committee had cleansed San Francisco politics by fire; and now a more desperate situation could not be corrected by that 'most hazardous remedy.' Henry George's situation in the fall of 1871 recalls 1868, before he went to Philadelphia and New York. Then he had broken with newspapers, the *Times* and the *Chronicle*, when their ideas did not please him and had found himself dangling without a proper job. Though he now belonged to the political camp he liked, the enemy had conquered, and for a few months he was at loose ends again. He had no office; he had no journal. Reminiscent too of the most unfortunate event of 1868, moreover, Annie George took ill again; and once more she and the children had to go to Philadelphia where they could have the support of a household of several women.

This time the symptoms suggested cardiac or circulatory difficulties, and most likely something of that kind had been at the bottom of her earlier troubles. Fortunately she did not suffer as much during this visit, and family adjustments were easier in Philadelphia. Mrs. George now exceeded all the others in affectionate attention to Annie; and the family, in a new house on Ninth Street,

provided a lavish Christmas and many happinesses for the California members. Even so, Henry George received heartsick and homesick letters and had to live without those who comforted him, during many of the most strenuous months of his life in journalism. Had there been a John Russell Young or anyone else to offer him a job in the fall of 1871, or during a

crucial interval early in 1872, Henry George would have had ample reason to go east for good, a decade earlier than he did.

Yet probably he would have decided to remain in California. For we may now understand as a factor in his attachment to the state a responsibility which had not had weight in 1868, and which would not again, in 1880. Call it western mission unfulfilled; and picture it in the obligation of the author's preachment in *Our Land and Land Policy*, especially the chapter on California lands. The reception of the book in California gives the clue to why Henry George preferred to continue in the state where he had discovered his ideas.

Some flattering responses, actually, had come to him from the East, on an intellectual not a political plane. Congressman Julian had skimmed *Our Land and Land Policy* and promised to do more: 'A glance has shown me how well and thoroughly your work has been done,' he wrote, and 'It is timely too.' Better than this was a letter from David A. Wells, who, since George had first known his writings as favorite material for the *San Francisco Times*, had shifted from a federal to a New York state commissionership, and was now getting out his famous reports as Commissioner for the Revision of the Revenue Laws of that state. 'You have enunciated a principle relative to value of land and pauperism which strikes me as original and well put,' Wells wrote; and this led to an exchange of letters in which George admitted that he had not studied taxation very much, but that he now regarded it 'as the most important function of government.'

Perhaps the most ingratiating response of all came from Mr. E. T. Peters, some of whose statistics George had incorporated into his own. Mr. Peters not only wrote in appreciation of *Our Land and Land Policy*, but also in his own writing, as George correctly said to Wells, took 'substantially the same ground in regard to the essentially appropriative nature of land values.' And so it was, in general, with all the response of eastern appreciators of *Our Land and Land Policy*: they gave him the strength of knowing that, as he tried to apply to land policy the logic of liberal economic thought, he did not march alone.

Only from Chicago, east of the Sierras, came the least suggestion that *Our Land and Land Policy* might have an immediate effect on affairs.

Horace White of the *Tribune* — the full control of that paper had not yet shifted to Joseph Medill and his brand of Republicanism — gave space to the booklet and promised more when Congress convened and ‘the land jobbers begin their annual raid.’ According to all other signs, though, away from home George’s manifesto had fallen on unpolitical soil.

In California there was more to work on. Though *Our Land and Land Policy* represents a second failure if George still nourished such hopes as he had allowed himself about the Chinese letter, that his writing would catapult him into prominence in working men’s Democratic politics, the book did get a broad newspaper reaction. Conspicuously not a single one of the larger papers challenged either the hard facts about California in chapter two or the general ideas of the whole. Even the *Bulletin* and its new associate, the *Call*, which the Simonton, Pickering, and Fitch partnership had recently bought, managed a few words of approval for George’s ‘patient research combined with knowledge of subjects treated.’

In both San Francisco and Sacramento, moreover, one strong paper went nearly all-out for *Our Land and Land Policy*. The Democratic Examiner, which had recently hired George to do an article on Well’s report on New York taxation, acknowledged that he had surpassed its own attacks on the ‘greedy speculators.’ The paper lavished space; it summarized with approval George’s population argument; it recommended ‘for earnest reflection’ the theory of the chapter on ‘Land and Labor’; and, though refusing assent to taxing land exclusively, it ventured so far as to say that ‘Mr. George supports his [tax] proposition in the strongest manner and places it in a light which is both novel and attractive.’ In Sacramento, McClatchy’s independent Republican *Bee* urged all its readers to study *Our Land and Land Policy*, and especially all members of the legislature. The *Bee* believed that George had illuminated ‘the leading question of the day — the one which is absorbing all others and which must remain the leading question until the people in their wisdom have settled it wisely.’ Less enthusiastically, but in a friendly way, the Sacramento *Union* went with George; it quoted long passages and agreed that little prospect remained for the homestead farm in California.

Thus newspaper recognition would seem to have compensated for political defeat, for Henry George in 1871. More than that, there occurred at

year's end in Sacramento a remarkable harmony of assertion that the land problem, about as George envisaged it, was becoming a focal problem in state affairs. In his final message to the legislature, Governor Haight renewed a charge he had made in his first message: 'Our land system seems to be mainly framed to facilitate the acquisition of large bodies of land by capitalists or corporations, either as donations or at nominal prices.' And Governor Booth's inaugural, three days later, might almost have been written by Henry George himself.

Tackling California's tax problem, the Republican governor observed that 'Among taxpayers the proportion paid by each is in reverse ratio to his ability' — the wealthiest paying the least percentage on the value of their property. Then came the governor's *Plan of Taxation Suggested* — the tax suggested was one on land values. 'If land values (including, of course, village, city, and country) alone were taxed, the revenue of the state would be in the nature of a reserved rent, stipulated for at every transfer, and modifying the consideration at every sale.' Such a tax would cut down speculation, and lands would be more generally cultivated by farmer-owners, the governor said; and, *if* the proper kind of law had only been passed early in the state's history, it would have eliminated the need for other taxes. To be sure the governor admitted no debt to *Our Land and Land Policy* while he hypothesized so boldly; and he spoke to the legislators from behind a very conditional 'if' — for he did not now ask for action so upsetting to private property. Still and again, a joint committee of the legislature soon took the exact position George had taken on the educational land grants; and it also asserted in formal statement that 'the earth which was fixed by irrevocable decree as man's abiding-place was designed as the rightful heritage of the many, not as the privileged allotment of the few.' Though George and his party had been trounced in an election, there was nothing out of date about the author of *Our Land and Land Policy*, in California in 1871.

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Such a chance as he had dreamed of came at last, late in the year, at the time of the change of administration in Sacramento. More accurately, Henry George made his own chance. A printer friend, William M. Hinton, who admired *Our Land and Land Policy*, asked why he did not launch a San

San Francisco paper of his own. With enterprise and spirit the venture would win. Though Mr. Hinton did have capital to invest, he spoke disinterestedly: he said later that he had advised his friend as one who needed a job; he had had no thought of becoming involved in any way himself. Yet as George's enthusiasm took over and arrangements shaped up, he did agree to come in as the partner in charge of the printing; and a business associate, Mr. A. H. Rapp, came with him as business manager and equal partner. Together the three men raised something like \$1800 in risk capital. They named the paper the San Francisco *Daily Evening Post* — brave echo of William Cullen Bryant, a continent's span away — and started publication on 4 December 1871.

While, pending examination of the editorial page, we must reserve judgment about the appropriateness and rightness of the *Post* in its time and place, we may notice at the outset that, at least as a business venture, the newspaper conformed well with California habits. Certainly nothing else in the economic history of Henry George compares with it. The *Standard*, of fifteen years later, also his personal journal, was to be a weekly, the organ of a reform movement, sustained by that movement. The San Francisco *Post* had to make money! As a printers' paper it meant a living or not for the principal, and perhaps for his partners; and as a commercial venture it meant a chance taken toward capital accumulation and power.

The risks were great; the entrepreneurial spirit ran high. If Henry George had not had sufficient personal experience to warn him, he could have read in the *Call* the business hazards of new journalism. Five years earlier this successful *parvenu*, now the *Post*'s competitor, had estimated the situation: San Francisco's voting population of 15,000 meant that a circulation of 12,000 was maximum and 7000 good. The *Call* believed that a paper would survive with 7000 purchasers, but that if it preferred a policy of low rates — the *Call* itself charged a bit a week, as against the *Alta's* then four bits and the *Bulletin's* three — it would be obliged to depend heavily on advertising. From \$2000 to \$3000 a week were required for normal operating turn over. This estimate appeared while George was working for the San Francisco *Times*, and in the interval the *Call*, though persisting in its low-price policy, had ominously sold out to the big enterprisers of the *Bulletin* and the Associated Press. Now the same paper brought newspaper

economics up to date. To be sure, it pointed out, though California stood twenty-fourth state in population, it was near the top in newspaper publishing; it was producing 129 weeklies, and its 49 dailies were surpassed only by those of New York and Pennsylvania. But except for the San Francisco and Sacramento papers, California's dailies were all either small-town or small-time journals; and the larger papers in the larger towns operated in tightening combination and competition. Fitch of the *Bulletin* currently estimated that the *Alta California* and the Sacramento *Union* were barely getting along with circulations of from 6000 to 10,000. Probably George knew in 1871, as he did later, that the Simonton- Pickering-Fitch combination had paid \$125,000 for the *Call*—a symbol of the stakes and the toughness of the battle.

Like the San Francisco *Herald*, then, and the *Call* when it was new, and like the eighteenth-century Pennsylvania *Gazette* in the hands of Henry George's favorite character in home-state history, the *Post* began as a long shot in personal journalism. The first innovation offered by George, Hinton, and Rapp was an eye-catcher: the *Post* hit the streets as a penny paper, the first on the Pacific coast. Of course the symbolism was right and was so intended. One-cent journalism had begun in Jackson's day in the East: news and ideas for the working man at the lowest possible price. But in California, where the copper never circulated, sheer publicity-catching tells most of the story. Somehow the men of the *Post* persuaded the Bank of California to have and to release \$1000 in pennies, timed right for 4 December. The first editorial page explained good reasons for welcoming the penny to San Francisco: it would accelerate petty business, such as the selling of fruit in the streets. Meanwhile purchasers of the *Post* had discovered that

the newsboys were loaded to make change with the unfamiliar new coins.

For the bargain price, the partners offered a fairly good-looking paper, with all the essentials and some of the trimmings. The telegraphic news, American Press Association service, went in the middle of the front page; and the editorials began in the left column of that page and carried over into two columns of the second. On Saturdays a 'Labor Review of the Week' addressed itself to the main body of citizens the *Post* wanted to catch. For

the first few weeks the sheet was pretty small, four pages, 10 1/2 by 14 inches; and the print was tiny, though it was no harder to read than the print of the other San Francisco papers. Certainly the format of the *Post* represented the big improvement of a generation over the earliest penny papers. One of the neatest features was the front-page emblem: a seated female figure, center, bearing helmet and spear and representing the sovereign state; next to her, a California bear; and in the surrounding field appeared, left, mountains, flume, and cottage; and right, railroad and telegraph lines descending a mountain slope.

What were the chances of capturing California for the working man, or capturing the working man for a reform program in California? Henry George had too much honesty and too much mind not to have fears and doubts. Only the preceding summer he had privately expressed his deep anxieties, and his even deeper faith. To David A. Wells he admitted that his old-time 'habitual view of the nation' had turned into an outlook 'far less rose-colored than it once was': he was too appalled by the way in which the working classes were 'deluded with words and led by demagogues' to be very hopeful about their future. And yet, he said soberly, 'the earnest honest man,' the thinker like themselves 'who would do what he can in his day and generation,' had no real choice: he must sustain the effort for true democracy. Perhaps, George said to the learned economist, really questioning him, the time had come for 'a new political organization ... I am quite certain that in some way co-operation between the liberal, free trade wing of the Republican party and the like wing of the Democratic party should be secured prior to the next election.' Through a union of liberals transcending parties, George now thought, the opportunity

approached for 'the patriot, the true philanthropist, the true social reformers ... to replace bad economic laws with good ones.' Though it was hard in California — 'I am on the outskirts, intellectual as well as geographical' — he pledged himself to make the effort.

As he spoke privately so he performed publicly in the columns of his newspaper. His pilot editorial in the first issue of the *Post*, on the 'Great Work of Reform,' demanded 'a union of the good men of both parties' and a four-point program for the nation. First, something like economy in

government'; second, lower taxes; third, a reformed civil-service system; and fourth, a reverse of America's trend toward concentrating wealth and power, mainly in industrial and landholding monopolies. George made a class-conscious argument and a region-conscious one: colossal fortunes were being made while 'the masses were growing poorer'; and California was being exploited by a 'steady drain of federal taxes.'

But he nationalized rather than localized his argument; and he never talked down to working-men readers. Nor did he sustain party shibboleths. While he announced that 'in the higher, wider sense of the term we are Democrats, and the *Post* will be Democratic,' he insisted that for 1872 at least, while Reconstruction conditions persisted, the Democrats were fated to lose, and that they should not try a separate ticket. They had everything to gain by joining with liberal and free-trade Republicans. So, eleven months before the election, early enough to be noticeable in the Liberal Republican campaign, George went all-out for a fusion. Win or lose, the campaign would create a greatly needed new party, he believed, an assurance for the future of the Republic.

Although, as we shall need to understand later in some detail, George never abandoned thinking and writing about California's economic problems and their remedy, his editorial focus of 1872 remained where the pilot editorial had put it, on the coming election. On 27 December, when the *Post* was less than a month old it noted with satisfaction that a political convention of organized labor was about to gather in Columbus; and the editor was pleased to predict that George W. Julian would be nominated. Mr. Julian had identified himself with 'the popular side of the greatest of all questions — the land question,' and the paper believed that a fight between him and President Grant 'would be a square

fight between labor and capital, and that is the real issue today in the United States.' But the hope for Julian soon proved premature. In voicing it, George may have been too much impressed by the political possibilities of the National Labor Union, which, though it had recently succeeded in setting up new locals in California, was already fading in the national scene. At any rate the *Post* went with the current in looking for a different leader for the proposed fusion movement. For an interval Lincoln's old associate, Judge David Davis, seemed likely; then Horace Greeley. In March the *Post*

hailed Greeley's declaration for the fusion as right, and it saluted Greeley himself, one of the principal founders of the Republican party and stalwart egalitarian friend of labor for three decades, as the best man for the nomination for president.

Henry George, the editor and proprietor, who now threw himself as he did his newspaper into the campaign, did so as a man of some power and influence, more than he had ever been before. His paper had already proved solid and strong. In less than its first month it had had to increase in size to allow for the amount of advertising 'now crowding upon us'; and in less than two months it had ventured an occasional eight-page edition. Very soon it made the double-size issue a regular Saturday event. Perhaps success derived from the one-cent policy. The *Post* believed both that it had confirmed what had already been proved for the East, namely, that low price and mass appeal brought in the advertising, and that it could assert 'without egotism' that no other penny paper anywhere had ever carried so much news, or featured such attractive presswork, or depended so little on reprinted material.

The clinching evidence of success followed quickly on a surprise notice, 13 April 1872, when the *Post* was five months old: 'My editorial connection with the *Post* ceases with this issue.' A reshuffle occurred, evidently for the reason that Mr. Rapp, the business manager, wanted to get out. Whether for the sake of quick profits or for other cause, he sold his interest to H. W. Thompson, possibly a creditor of the *Post*, for \$2500. Then, according to George's reminiscence of a quarter-century later, 'Mr. Hinton and I concluded that we had better withdraw, and we sold our interests, each getting \$2700.' So far, so good. If remembered figures are correct, an \$1800 investment had sold for \$7900. Even Annie George in Philadelphia, who was distressed about the loss of the

paper and who hoped that her husband might return in a new partnership to control the editorial page, saw the point of collecting the gain of capital value. It would be nice to furnish a house without running into debt, she wrote to Henry.

Nor were wifely hopes too high. The *Post* dwindled under Thompson. Two months after selling, George and Hinton were given an opportunity to buy back the newspaper at a bargain price. They took a new third partner,

this one on less than equal terms; and they started again, as they announced on 10 June, happily convinced that the control of the paper was theirs for as long as they pleased, and that they could make it succeed in every sense. The lucky timing of events on the *Post* worked out as neatly as could be: George took the saddle again just at the moment when the national-party conventions were becoming immediate business.

The local Democrats improved the coincidence. Along with ex-mayor McCoppin, Henry George was chosen a delegate from the fourth district to the national convention in Baltimore. He traveled by way of Philadelphia, where he picked up his wife and took her along. At the convention he became secretary of the California delegation, and had the satisfaction of casting an editor's vote for the doughty editor whom the *Post* was saying stood for 'the spirit of peace' against the 'spirit of war.' And, after the convention and a trip with his delegation to New York to visit Horace Greeley at his home, George felt even more satisfied. Every Californian present had sensed, he told *Post* readers, 'that in this sturdy, benignant old man we had a candidate round whom we could all rally, and who fittingly represented the grandest idea of the time — the idea of reconciliation.'

Restored to his editorial chair, during the summer and fall George made sage economic comments in the *Post*. That 'the South has been made the Ireland of America' was one of them. But the political spirit — which brought him to forecast at mid- July that Greeley would win, 225 electoral votes to 129 — led him to repeated extravagances. Though he admitted privately to Whitelaw Reid that the Liberal party in California was 'utterly impecunious' and apathetic and 'cut up by our local quarrels,' and was ineffective by contrast with the energy and bribe money of the Grant forces, the *Post* put no doubts into print earlier than October, when defeats in certain state elections required open pessimism. Then, when the killing 'rout — utter irretrievable' occurred at the general election and Grant was returned to office, an editorial soberly questioned whether or not American democracy could ever succeed, given the limits set by the narrowness and prejudices of party-bound voting.

Within a month, having rendered its tribute to Greeley as martyr, the *Post* came up with a revision. Not a fusion of elements from the Civil War and postwar parties but a return to the old parties of the Jackson period

should be tried, to renew the life of politics. The Whigs and Democrats had once faithfully fought the perennial issues between capitalistic nationalism and radical democracy; now let the battle be resumed and be won again, by the right side. Thus Henry George was ready to be a Democrat once more, so far as national affairs were concerned, a Democrat and nothing else. This was the first stage of a new political wisdom which he would distill in the columns of the *Post* during the middle years of his editorship.

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George's important advance during the early 1870s, as an original thinker on California affairs and on political and economic affairs generally, will be better understood if we first take time to notice his continuing success as a businessman in journalism. During the election year, and in 1873 and 1874, his first hopes and successes on the *Post* were more than consolidated. Now that the paper's name and character was established, it could afford to change from the one-cent policy. George and his partners put up the price twice during 1872: at mid-summer to two cents, in October to five, the second rise 'more to accommodate the price to the currency than for the sake of the addition.' At the beginning of 1873 the regular subscription rate was fixed where it stayed, at fifteen cents a week or five dollars a year. This left the *Post* still the cheapest paper on the coast, and the owners justified the increase by enlarging content more than in proportion, and by improving and extending delivery service in the city and in the interior of the state. At the end of its first year, the paper claimed that it had the largest evening circulation west of Chicago, and that its 'career so far has been one of unexampled prosperity.'

With newspapers, as with gold mines, increasing production called for larger outlays and heavier capitalization, and Henry George accepted the necessity with a true Californian alacrity. Six weeks before election he wrote Whitelaw Reid, Young's successor on the *Tribune*, that he wanted more telegraphic news exclusive for the *Post*: 'We have very frequently to counteract the Administration tendencies of Simonton's news and keep up the spirit of the Greeley people by drawing on our own private wire which we keep coiled up in a box.' This overture failed, though without injuring his improved relations with Greeley's paper; and it was only one of several

efforts, many of them successful, which George made to expand the scope of the newspaper.

During 1873 the *Post* sped up production by contracting for the afternoon use of the *Chronicle's*, new 'lightning press,' a piece of machinery which would print 30,000 papers as quickly as the old press would 12,000. Before the *Post's* second birthday, a fifth enlargement increased the size to 17 1/2 by 25 inches. The regular edition now contained four pages of eight very long columns; and, for one of its eight-page issues, the *Post* claimed to have produced the largest daily ever printed in California and, it believed, except for a few issues of the New York *Herald*, the largest ever anywhere in the United States. By the time the paper reached full size it maintained many regular departments: Telegraphic, Police Court, Amusements, Stocks, Mining Notices, Commercial and Financial, and so on. Perhaps the *Post* was a little on the sensational side, as the editor's mother thought, bracketing in that respect with the *Chronicle*, and differing from the *Alta California* and the *Bulletin*; but by twentieth-century standards it seems quite sober. About half the space was taken by advertising.

We have to take from where we can find them the facts about how Henry George in his middle thirties carried the roles of editor and proprietor, and tribune of the people. His last office on the *Post* was a small room piled high with papers, magazines, and *Congressional Records*, and untidy with cigar ashes; he had a baize-covered sofa there, where he slept nights when he could not get away, or caught a cat nap as needed. He made a lively boss, and an interesting one. The male secretary who took his dictation recalls that, temperamentally high-strung, George drove himself incessantly and could be sharp with his associates. But the remembered events speak most of little-disciplined work habits, amusing to behold, and good deeds and generous attitudes, which endeared him to those around him. His editorials arrived habitually late; his door was always open. On one occasion he rescued by a reach from his own balcony a sailor in *delirium tremens* who was hanging from an adjoining one; and another time he tickled his associates by taking a shot of whiskey to buck himself for a temperance address. The stimulant more than worked, and he delivered a speech on land taxation.

A good fellow among journalists, he was elected to the Bohemian Club, becoming not a charter member but a regular one as early as the second week or so of that famous society's life; and very soon he became a trustee. Here he had the association not only, notably, of fellow newspapermen from the journals he attacked, but also of men of future fame — Samuel Clemens, Ambrose Bierce, and the future senator and conservationist leader, Francis G. Newlands. It is pleasant to catch so earnest a man having fun under the motto, s' 'Weaving spiders come not here'; and to learn that he participated in the 'high jinks' and other foolery at the club's Russian River encampment.

Though the early San Francisco *Post* years were among George's hardest as husband and father, because Annie and the children stayed long in Philadelphia, we do find them all together at last in as happy as they ever were while the children were young and before George's greatest successes. They lived that year in the Mission District; and George rode to and from work on a bony horse which cost him many jokes and jibes. For him it was a time of pride in the three youngsters: especially in Richard, the child of the poverty of 1865, who now began to anticipate his future as artist and wished to send pictures home to his grandparents in Philadelphia. The most inward peep into family life comes from Annie George's letter to her father-in-law about the celebration of her thirty-first birthday. Her husband and his partner had given her a square grand piano — 'This is from the office, as neither can afford to pay cash for it' — and she had also been given a biographical dictionary, a set of old English poets, a silver pie knife, a gold thimble, a box of candy, and an exquisite bouquet. Safe to say that never before in her life had Annie George had a birthday like that one. Had her husband been asked to explain how so lavish,

doubtless he would have said privately what he had said publicly in his issue of 22 October 1873 about the ingredients of the success of the *Post*: it was 'certainly not due to capital, nor yet so much to ability, enterprise, or application, as to the popular appreciation of our desire to deal honestly and justly. If we have struck hard, it has always been on the side of the poor, the wronged, and the oppressed.' Very much like the famous muckrakers in the national magazines of about 1900, who were in a degree his spiritual successors, George made money fighting the good fight.

Crusading spelled success; and success stimulated the brainwork of the crusader. Of George's whole life, the years on the *Post* were the time when his mind ranged the most freely, when he made his decisions and developed his ideas the most independently and pragmatically. His strategy cannot be called simple. Rather than just reasoning forward along lines laid down during his march with the Haight administration, and diagramed in *The Subsidy Question* and *Our Land and Land Policy*, George turned certain sharp corners, as we shall see in the next section of this chapter, and he penetrated new terrain of general economic ideas. But short of these major changes, as liberal editor he advanced also his modes of political thinking, and notably developed a number of policy convictions, as he discussed issues current in the state and in the city.

To his own surprise, the new administration of Republican Governor Booth pleased him, even while his disillusionment about liberal fusionism was still sharp after the Greeley fiasco of 1872. George noticed and praised in the *Post*, for instance, Booth's inaugural address, the plea for taxes on land values which was quoted at the opening of this chapter; and he praised the governor as a man evidently far less committed to the Central Pacific than had seemed likely. These judgments placed George exactly beside James McClatchy, as that editor declared the policy of the independent Republican Sacramento *Bee*. They put him in the position of being less a man of state-party Democratic loyalties — at the very moment of becoming more a man of national-party ones — than he had been since returning to his father's political party. Perhaps the new governor's winning support from Democrats as well as Republicans may be seen as an early illustration of California's present-day special habit of segregating state politics from national-party patterns.

Certainly cross-party reformism was the political method Henry George now made his own, in state affairs. Late in 1873, though he had recently criticized the governor for failing to live up to his inaugural address, he supported Booth when the legislature chose him for the United States Senate, 'as coming nearer to being senator by common consent' than any Californian had ever been. The editor likewise approved and criticized as he pleased the new 'Dolly Vardens' in California politics, the independent Republican followers of Booth who won control of the assembly in 1873. With like freedom, as occasions arose, George supported

the intrusion of Grangers in state politics, yet sometimes criticized them sharply; and again, he backed independent fighters of land monopoly, notably John W. Days and Pascal Coggins. We may look far forward to Henry George's own candidacies to be mayor of New York, the most heterodox of all such candidacies in American history, and discover him still true to the conception of local politics which he phrased first as editor of the San Francisco *Post*. 'Let the people who desire reform vote independently of all parties,' he said on 3 June 1875. 'Where the office is mainly an administrative one, let them vote for the best man. Where the office is a political one, let them vote for the men who are pledged to cut down the number of offices and undue expenditures.' George's permanent conviction, in short, was that parties are instruments. At national level they generalize the broader differences which voters need to distinguish at the biennial and quadrennial elections. At lower level, however, grass-roots reformism, remaking parties by introducing new men and reintroducing right principles, is the essence of party growth and political life.

On the side of economics, regional and other, George withdrew after 1872 from some of the old insistences of his days on the *Times*, the *Transcript*, and the *Reporter*. He gave the figures, and rejoiced, along with his old opponents in the debate on immigration policy, when trainloads and shiploads of newcomers poured into California. Though one-sixth to one-fourth of the immigrants, according to the *Post* of 11 October 1873, were Chinese (and the editor never changed his mind on that subject), he did not voice so much alarm about any phase of immigration as he had put into the Oakland and Sacramento papers.

He even softened his comment on the railroad monopoly. True, Stanford and his associates had by now consolidated and expanded their control of California transport, and the *Post* said so bluntly. Their monopoly was *fait accompli*, and the paper acknowledged that the state should 'be thankful that [Stanford] is not a worse man.' The transcontinental railroads were still leasing their wires to the American Press Association, on which the *Post* depended; and a brief editorial gave 'the devil his due.' Following a declaration by Stanford that the Central Pacific had broken pre-existing monopolies, the *Post* of 13 September 1873 admitted that the old steamship lines to Panama had been 'meaner and more oppressive, though smaller,

monopolies' and that four years after the railroad had been put through the state flourished better than when it had been robbed by them and by Wells Fargo and the California Stage Company — 'It is the difference between one despot and a host of tyrants.' George's attitude toward Stanford in the *Post* probably echoes impressions he got in Sacramento in 1862 and 1863, and it conforms also with his lifelong habit of critical admiration for constructive capitalists. He had now arrived as a capitalist himself. He had been guilty of an election-year inconsistency in when he said that capital and labor are inevitably at war with each other.

So far as concerned industry or business, not landholding, Henry George's anti-monopolism concentrated now on the objections to consolidating too much power in the hands of too few people, and most of all on the evils of absentee ownership and control. Be it remembered that his reading clientele was largely Irish. When the question came up of Vanderbilt control possibly extending to the West coast railroads, George preferred Stanford; and when there arose a likelihood that capitalists of St. Louis and San Francisco (this group under the lead of Caspar Hopkins, of the Immigrant Union) would combine to put through the Atlantic and Pacific railroad to compete with the Union Pacific and Central Pacific, the *Post* balanced judgment. For a while it presented advantages that might be gained from this competition of roads; then it considered a second possible new road. But throughout it feared the debts and burdens of an unnecessary installation. The several San Francisco papers went their separate ways on this problem, the *Bulletin* being strong for Caspar Hopkins' A and P.

Without coming to clear-cut opinions on the immediate and practical problem, the *Post* took a turn at analyzing the more general and underlying issues of railroad economics and regulation. Accepting a lead from an *Atlantic Monthly* article, George endorsed the opinion that a cut in federal tariffs and taxes would do more to save the public's money than would rate regulating by states, Granger style. Then George renewed his earlier probing toward public ownership. 'Irresistibly' railroad monopolism was forcing the country 'on the horns of a dilemma,' he said, 'one of which we must choose — either the government must own the railroads, or the railroads must own the government.' But this dilemma he evidently envisaged as still at some distance in the future, and not yet clear-cut; at any

rate he allowed himself editorial leeway to go afield again and reconsider his old Pennsylvania notion, of the government owning the roadbeds and private companies running the trains. He never became dogmatic in the *Post* about public versus private railroads.

Indeed George editorialized with force and determination in favor of the government ownership of only one public service — the one indicated to him by General William Orton in 1869. With wire communication he unquestionably had experience on which to draw, and recently he had had stunning good luck. Because his American Press Association had the use of the railroad wires, it had grown from Sacramento days to combine some interestingly opposite bedfellows. In addition to the *Post* and *Chronicle* in San Francisco, the *Alta California* had abandoned the AP and joined; and in Sacramento the *Record*, and then the *Record-Union* belonged when the railroad paper which succeeded George's *Reporter* combined with the *old Union*. This meant that half the big papers in the state, and some of the minor ones, associated and depended on the anti-monopoly press service, and needed the telegraph service, which George had been the first to make available.

Yet, although the *Post* lived and profited by this success, and occasionally took advantage of it by printing words of self-congratulation for having defeated the Western Union-Associated Press combination, and although, perhaps more than George knew, the American Press Association was cutting sharply the profits of the *Bulletin* and the *Call*, the paper's own situation was precarious. In spite of firm assertions that the telegraphic news came through freely and completely, there remained cause for embarrassment when the AP papers charged that Henry George, San Francisco's attacker of railroad subsidies and monopolies, was himself depending on a railroad monopoly and was receiving a subsidy — all this by the simple compromising fact of receiving news from the wires of the Central Pacific Railroad.

Under these circumstances, George declared strongly for public ownership. He was not alone, and the position he took is not at all to be thought of as indicating socialistic doctrines. In the second issue, and in one of the *Post*'s few editorials ever to praise Ulysses S. Grant, that of 5 December 1871, it commended the President for asking Congress to

establish telegraph service within the operations of the United States Post Office. Then and thereafter the Henry George argument for a postal telegraph was simple and obvious: telegraphy indicates a national monopoly; the competitive duplication of wires is wasteful; government operation promises low and reasonable rates and assures access to the wires, without discrimination or favoritism, to any and all.

This policy of the *Post* was ‘academic’ only in the sense that the United States government did not change, or come near changing, the system of private telegraph communications. The issue represented actual and acute affairs in California and it signified the *Post*’s participation in a nation-wide debate. When the *Alta* dropped out of the Associated Press group, the *Post* said that the senior paper had actually been pushed out, for the reason that its editorials favored a postal telegraph. Stanford’s ‘oppressions’ grow dim, compared George, before the infamy of such an abuse to the freedom of the press. Though not feeling that nationalization could become a practical issue, the Sacramento *Bee* believed that there prevailed ‘almost a unanimous public sentiment in favor of a Postal Telegraph’; and eastward across the country similar ideas appeared.

The *Post* took it as a body blow to nationalization, when David A. Wells wrote at length on the other side. Henry George’s editorial reply to this recently sympathetic correspondent gives the pattern of his own lasting conviction, not about the telegraph alone but more generally about whatever monopolies are produced

by industrial technology. According to the *Post*: ‘The government should be restricted as nearly as possible to the preservation of order and the administration of justice, leaving everything else to private enterprise — in a word it should only do for the people what they cannot do for themselves ... The progress of invention has created certain great and necessary businesses which are in their very nature monopolies, in which competition does not operate to secure good service at a fair price.’ Besides a national postal telegraph, this editorial recommended the municipal distribution of water and gas; and, a little waveringly, as in other editorials, it spoke for the public ownership of railroads.

Henry George’s comment, here, makes him one of the earliest observers in the United States to recognize the economic phenomenon of the natural monopoly.

The policy ideas so far presented from the history of the *Post*, mainly from 1872 and 1873 but some of them from later years, probably go far toward accounting for the success of the paper. Had the editor been willing and content to operate mainly in such directions, and had he not ventured into salients of his own, the *Post* might well have turned out to be for Henry George the way into a long San Francisco career in liberal journalism. With the sagacious and practical idealism he was displaying in matters of national and regional politics, such a career, which perhaps in the end would have had much in common with the careers of Horace Greeley and David A. Wells, would seem to have been a reasonable possibility.

But the moderate and sagacious side of Henry George was only half. And, as the *Post* up to the national election displayed mainly that side, so the *Post* in 1873 and after evoked the other side. This was the more individual and inspired Henry George, the man of the visions of 1869 and 1870, the man of ideas not yet fully comprehended and expressed, and the man of special intensity. This emergence — which now led George to assert the economic proposition of his lifetime — was bound to come. But its occurring when it did was a response to criticisms which hit him, first right and then left, during the election year.

Just a month after the *Post* had been started a new trade journal had been launched in San Francisco, *Green's Land Paper*. It was a weekly, published and edited by Will S. Green, former editor of the *Colusa Sun* and now the head of a real-estate company in the Pacific Bank Building. Mr. Green was that *rara avis*, a real-estate operator with ideas; and he made his paper every inch a defender of the kind of policy the Immigrant Union, and earlier the *Alta California*, had stood for. Particularly like the Union, he asserted belief in a small-farm economy, and he rejoiced at the arrival of German immigrants who wanted farms and had money to buy. 'Divide up your estates!' he urged his readers.

To editor Will Green as to Caspar Hopkins, land withholding represented an injury to California. But naturally Green defended the dealer and speculator in real estate: they were merely businessmen doing useful jobs, and 'any talk about discriminating laws against [the speculators] is the sheerest nonsense — the most disgusting demagoguery.' In his first issue,

Mr. Green acknowledged his number-one enemy in opinion making. Calling the Post the ‘spiciest’ paper ever to appear in California, he warned that the reforms it wanted would be unconstitutional under the instrument of 1849: the doctrines of equal taxation incorporated there would not permit of sliding tax rates on different sizes of holdings. Admitting that ‘Harry George has both talent and industry,’ Mr. Green promised to get after Harry sometimes on some of his ‘Commune’ notions.

To call a man a sympathizer with the ‘Commune,’ in the early 1870s, amounted to less than calling a man a communist eighty years later, but it was not a matter for Henry George to take lightly. Not unlikely the touch carried extra annoyance, because in actual fact George in recent issues of the Post had spoken favorably of giving the working men ‘internationalists’ a hearing.

His reply to Green shows the point charged against him: was not his paper actually propagandizing for the public ownership of land, while dishonestly pretending to believe in private ownership? The Post said on 2 January 1872 what George had said in *Our Land and Land Policy*, that private property in land must be understood and accepted as necessary, even though it cannot be called logical. This time, putting the crux of the matter in italics, George focused the paradox more sharply than in *Our Land and Land Policy*. *‘That the land of a country rightfully belongs to all the people of that country; that there is no justification for private property in land except the general convenience and benefit; and that private rights in land should always be held subordinate to the general good.’* At a meeting held the next month under the auspices of the ‘Internationalists’ of San Francisco — which probably signifies a branch of the Marxist International Workingmen’s Association — George in the opening address criticized strongly the principle of the nationalization of land and developed an argument that private property is necessary to have full production from the soil. Foretaste of much to come, he assailed ‘Internationalist’ ideology and commended rigorous land taxes as the best means to harmonize large private holdings with democratic rights and interests.

Interestingly, it was a friendly critic, well to the left of Will Green to be sure but not at all of the Marxist complexion, who drew George along the hard road of judgment and doctrine. Assemblyman John R. Days of Nevada

County, a reader and admirer of *Our Land and Land Policy*, was distinguishing himself in 1872 by sponsoring measures of the kind Green opposed and called unconstitutional. Early in the year he introduced in Sacramento a bill ‘to reserve all lands within the state belonging to the state of California for sale to actual settlers only.’ He had proposed also what was, according to the *Post*, ‘the best bill ever introduced in the legislature.’ This one scheduled a graduated license tax on holders of vacant — unoccupied, uncultivated, unfenced — land; it was scaled from 25 cents an acre on small blocks of land, up to a dollar an acre on blocks of 5000 acres or more withheld. Such a law, once enforced, the *Post* said, would pay the debts of the state in a short time and would cause the population to double; especially would San Francisco gain from the stimulus to port activity.

Of course the Days bill closely resembled George’s own earlier proposals, and George now gave a great deal of space and favor to the assemblyman and his ideas. The *Post* printed the news — and observed that no other paper did so — when the graduated license tax got 19 yeas to 46 nays on the question to engross. In Henry George’s opinion this was encouragement and warning: ‘Let the friends of land reform labor and wait. Who would have thought a few years ago slavery would now be a thing of the past?’

In May 1872, George met Mr. Days, and political affinity led to personal friendship. Mr. Days lent George books on English and Irish social discontent; and, before long, apparently late that summer, he persuaded George to give a Sunday-afternoon address before a San Francisco lyceum of which he was president.

George brought up the nagging problem that afternoon. He phrased his paradox negatively, though, and apologetically. At least according to Mr. Days’s impression, he said that although the logic of men’s equal rights to the gift of the Creator indicated that landed institutions should be different from present private holding, not until the millennium destroyed ‘the old savage, selfish instincts’ in man would the common ownership of land come into being. But the chairman thought that the speaker was contradicting himself. In his closing remarks Mr. Days put it to the audience that ‘every argument’ George made showed that he ought to disbelieve in private property in land. The afternoon ended without a conclusion of the

matter. But Mr. Days's reminiscence closes with a debater's triumph and a friend's tribute: 'From that day to the day of his death Mr. George openly opposed by word as well as argument private property in land.'

True, but not the whole significant truth about the author of *Progress and Poverty*. George never again spoke of private property in land as a necessity of civilization or agriculture; he never again assigned common property in land to the millennium, as something not to be achieved in practice. Yet neither did he now speak dogmatically, or even loudly, about this radical doctrine. One searches the *Post* in vain for a clear-cut recognition of land nationalization as unreservedly right in principle, or as a practical alternative to private property, as John Stuart Mill was now beginning to preach, or as George himself was going to say in *Progress and Poverty*, half a decade later. Rather one finds oblique criticisms. For instance this *obiter dictum* in an editorial: 'A false treatment of land ownership is putting into the hands of one class the wealth that belongs to all.'

As for what the new belief fostered in the way of policy thinking, George pondered harder than before, and somewhat differently, the role of land taxation in economic reform. This problem is so special that it must be deferred a few pages, to the final section of this chapter. The new belief encompassed also a great effort, by the

Post, to expose the facts of California landholding, and a great interest in supporting land reform of the familiar, though in California unsuccessful, kinds.

Specifically, the newspaper always made a business of reporting, in almost 'believe it or not' spirit, spectacular cases of land engrossment. Typical was a report from the *Chico Enterprise*, of a Colusa County farmer who seeded his lands in fields of two thousand acres. When the *Post* picked up a case of land monopolization below Los Angeles, Henry George observed mildly enough that this was 'the style in which a great deal of farming is done ... No land can ever be prosperous when the land is held and ruled this way.' There was nothing especially radical about this reporting; the *Post* carried such items both before and after the editor's 1872

increment of radicalism. But, on the editorial page certainly, there was an intensification of the policy of exposing engrossment and land withholding. For instance, in 1875 the eye that loved the Pennsylvania countryside noted that beautiful Marin County, on the peninsula north of San Francisco, though it 'ought to be covered with comfortable farms and dotted with thriving little villages, is condemned to semi-solitude by the curse of these large landed estates.'

As to policy specifically, George continued from *Our Land and Land Policy* his old habit of condemning the agricultural-college grants; and he named and smote with words the big speculators in federal scrip. As in the case of railroads, so with landholding he condemned the most vigorously the abuses of absentee ownership. On the other hand, he was not too single-minded to give the wiser speculators their due: for example, when Miller and Lux provided irrigation on certain lands and offered it for sale in small farms at reasonable prices, the Post had a word of praise.

Likewise when new legislation came up for review and comment, George was not restrained from speaking for measures that would increase homestead farming in the historic Jeffersonian pattern. During the first month of the *Post* George praised, as a measure that 'would be worth more in securing the liberties of the people and the perpetuity of our institutions than all the rest of the constitution,' the amendment to the United States Constitution wanted by California Congressman Coghlan: 'The public land of the United States shall not be disposed of except to actual settlers thereon, for homestead purposes only, and in quantities limited by general laws.' And during 1872 and after, when his mind was quite made up on the issue of principle, the Post spoke, as proposals came before the state legislature, for such reforms as limiting a holder's 'possessory rights' to 160 acres and requiring purchasers to pay cash for state lands. These were just such reforms as the *Sacramento Bee*, and even the *Union* and the *Bulletin*, were simultaneously advancing.

Had the homestead policy really worked, truly and broadly distributing the resources of the country among the people, without flagrant privilege, George would have had little excuse in America, outside the cities at any rate, to push the moral logic he believed in against the private ownership of land. By the signs he would not have tried to do so. But, in California more

flagrantly than in any of the other domain states, the homestead policy was not working broadly or achieving the Jeffersonian results its philosophy contemplated; and fresh measures were not being taken to make it effective. The state and federal reforms George favored, in this pattern, remained bills and got nowhere; they were not enacted either into statutes or constitutional amendments. This being so, and George being George, the editor had every reason to ponder his own logic and observations, and to write as he pleased in favor of a different, more universal, program for equality of benefit from America's domain.

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In 1888, when Henry George had become a world figure, a learned and friendly critic explained in the *Harvard Law Review* that the famous single-tax doctrine really comprised two ideas and that the two were separable. First, it contained the contention of egalitarian logic, that all men have a natural right of access to the gifts of the Creator's bounty. And second, the proposition, which the critic thought less well grounded and certainly separable, that economic rent was just the right flow of credit which ought to be captured, in this case by taxing land values, for the sole or principal financial support of the state, with generous welfare services included.

There is no reason to be forward and to try prematurely to match wits with a New York lawyer on the merits of the case for the single tax. But 1873 is the point in the Henry George story to notice that historically Mr. Clarke was correct: two different propositions — the proposition of principle and the proposition of opera-

tion — are joined in Henry George's reform proposal. And, though there had been signs of the affinity of the two in *Our Land and Land Policy* and earlier, they finally became linked on the pages of the San Francisco Post. George's decision against private property in land — because it involved the question: if private owners ought not to have economic rent, where should economic rent be directed? — practically forced the ideas into partnership. This means that, just as George could not, we cannot any longer postpone attention to the heavy business of taxation.

The years of the *Post* happened to be important years in state and national tax history. In 1872 and 1874 were published Wells's thoughtful New York state reports — pilot studies of local taxation for the country as a

whole they proved to be. Then also, in California, as the learned monograph of Dr. William C. Fankhauser points out, part of the work of reform during the Haight administration had been the acts of 1868 and 1870 which required (what Governor Stanford, too, had recommended, years earlier) that the whole body of California law be revised and codified. The codifying commission reported in 1872; and the adoption of its report included a job of tax rewriting, the repeal of certain laws, and a bit of tax reform. This amounted to an inspection of the tax machinery set up since 1849, with a certain tightening of bolts and minor repairs, but not a new or even a rebuilt mechanism.

In those days, before the income tax had become anything more than a war-emergency measure, or else a threat of socialism, property taxes were the main source of revenue everywhere. They were levied on nearly everything. In California this meant not only real estate, land and buildings being treated alike, but also personal property; and personal property included both visible property in goods and capital equipment, and invisible property, such as mortgage notes — which multiplied the tax burden on real estate — and other commercial paper. A common rate was enacted by the legislature: it had risen to a high of \$1.25 per \$100 valuation in 1864 and had tapered under \$1.00 in 1870 and 1871,

Besides the property taxes California had a poll tax and a congeries of license taxes — taxes on auctions, on gambling, on billiards, on foreign miners, and many others. An *Overland Monthly* writer in 1875, E. A. Waite estimated the charges of all taxes to average \$40 per individual Californian, or \$200 for each

family of five. George told Wells that probably the California tax structure was more confused and wrong-headed even than the New York one.

From Dr. Fankhauser's record of condition and complaint, it is easy to judge, as George judged, that real-estate taxes involved the biggest stakes and the most sizeable abuses in the California system. The legislature's setting up a new state Board of Equalization, a fact-finding body intended to review and to help smooth out tax discrepancies from county to county, in a way confirms this opinion. But, not for George alone but for all who shared the thought that property in land always and everywhere carries

special public responsibilities, there lay, over and beyond the questions of the quantity and the collection of land taxes, a political and moral question: did not the fundamental tax law of California specifically protect the land monopolizers in their engrossments, and specifically exempt them from public obligations?

This thought impinged on Section 13 of Article xi of the constitution of 1849, a clause that had been designed by southern members of the Monterey convention who were known to be plantation-class sympathizers. It was the clause on which Will Green relied to render void any such sliding-scale taxes, should they be enacted, as Assemblyman Days and Henry George proposed for California. The clause had a good and conventional sound, as follows: 'Taxation shall be equal and uniform throughout the state. All property in this state shall be taxed in proportion to its value,' and assessing and collecting officers shall be elected by the voters of the district in which the tax is collected.⁶

These provisions meant two very substantial barricades to protect property in land from being distributed. Land taxes must always be low, or at any rate no higher than the assembly would impose on any and every kind of property; and, second, the provision about assessors and collectors prevented any officials unsympathetic to landholders, say from the mining districts or from the cities, from intruding into the agricultural or ranching areas of California's most valuable land aggregations. In actual operation, landed property was assessed at 88 per cent of cash value in the mining counties, and much lower on the coast, for example, at 15 per cent of cash value in San Mateo County on San Francisco peninsula. The Post was right when it said that California taxes were 'neither simple nor equal,' for the 'burden falls most heavily on those least able to sustain it — upon the borrowing classes and the laboring classes. It is true that under our present Constitution, or at least under our present Constitution as interpreted by the courts, it is impossible to make a good revenue system; but a much better one might have been made than the present.'

In this passage the *Second Report of the Commissioners to Revise the Laws for the Assessment and Collection of Taxes in the State of New York*, published in 1872, came through with incomparable support for tax reformers. Now George and George's kind had a firm point from which to

depart, for writing new editorials and designing sharper programs. The New York commission reasoned from propositions like those of Adam Smith that any taxes anywhere should have the three qualities of being equal, or just, in incidence; and ‘certain,’ or plain and aboveboard in operation; and economical to administer. It condemned forcefully personal-property taxes, and especially those on negotiable instruments of indebtedness. Wells and his colleagues favored instead, first, taxes on real estate, ‘lands and buildings, at a full and fair market valuation’; second and third, they recommended corporation taxes and a building-occupancy tax. Their whole design favored simplification and reduction of structure. As if addressed to Article xi of the California constitution, the Wells report condemned, as ‘one of the greatest obstacles which stands in the way of a reform of local taxation in the United States ... the theory that in order to tax equitably and uniformly it is necessary to subject all property to assessment.’

Wells sent George a copy of the *Second Report* soon after its release. Though not accepting it whole hog — there was too much argument, to suit George, in favor of taxing capital improvements on land; and Wells opposed tax rates scaled according to ability to pay — George quickly absorbed them? in ideas into his own arsenal. An early editorial note in the *Post* fired the report at the *Call*, because that paper favored taxing all kinds of property; and the *Post* praised Wells for distinguished service to the country.

In the New York report, economic reasoning based on the classical economists had slashed at American tax practices; and now an old hand at applying John Stuart Mill to California affairs was ready to follow suit. So, on 2 January 1873, in exact coincidence with the editor’s finding his ideas against private property in land, the *Post* turned tax conscious and tax active, as had no Henry George paper before this. There should be *three taxes*, it announced, on the second day of the year: (1) a tax on the value of land, not counting improvements, above a minimum exemption; (2) a tax on the estates of deceased persons; and (3) license taxes on such businesses as require regulation, liquor and gambling houses for instance.

Like the New York report, the *Post* justified its proposals by exhibiting them alongside the classical canons of taxation. Its own simple, three-point program, it reasoned, would unburden both capital and labor from present charges and annoyances and make for much freer flow in the economy.

Assessments on values that could not be hidden would be accurate and fair; and tax collecting would be rendered economical and easy. *Per contra*, George estimated a ‘mob’ of 100 to 150 ‘assessors’ deputies, license collectors, fee and tax gatherers’ in San Francisco alone, under the present system.

As George was to do for the rest of his life, and as the Wells report had just done, the *Post* speaking for reform made much of the question of the incidence of taxation. Who pays the collector, and who really pays the taxes? Doubtless the nature of this problem was not as universally apprehended in George’s day as in ours. But nothing could be plainer than that the *Post’s* second main tax proposal could not be passed on to others; and as now there was then a powerful argument that the paper’s first proposal, land-value taxation, deprives the first payer and no one else. Beginning at once, and never changing his mind, George made and remade that argument that economic rent regardless of tax policy always and everywhere flows automatically from producers to landholders, and to capture it from the owners is to take from them alone. When they pay, the credit has already reached its point of accumulation, and it cannot be demanded again from other members of the economy. So the Henry George line, which may be qualified a little but can hardly be upset.

The *Post’s* announcement of a three-point scheme started much, not quite all, the discussion an editor could have wanted. Among his neighbors in San Francisco, the *Examiner* and the *Chronicle* met him halfway. The Democratic paper understood the program as simple anti-monopoly; and the *Post* replied that, pleased as it would be to break monopoly, land-value taxation actually contemplated more: it would prevent the recurrence of monopoly once broken, and it would present the community with a generous and easily collected income. Perhaps the *Chronicle* was the first paper to object to the singleness of George’s program. Why tax land without taxing capital, it demanded, making illustration of taxing the Central Pacific’s strips of land without taxing its strips of steel and its rolling stock? Because, George replied, the idea is precisely not to burden labor or to penalize capital accumulation. Over and over the *Post* reiterated that land values do not represent wealth in action, as capital values do, but

represent the power to collect from someone else. Within the year, the paper was claiming that the *Chronicle* was half converted to its plan.

There was reminder of the past and there was unanticipated future, both, for Henry George in the objections now raised by the little Catholic journal in which he had first tried to be very philosophical about the land problem. The *Monitor* said that land-value taxation would make land a drug on the market. No, replied George on 26 February 1873: only speculative land would become a drug, and no need to object to that. Furthermore, the editorial added, the *Post's* scheme contemplated an exemption of \$500 for every city landholder, intended to favor the homestead-lot man and to encourage home building; and doubtless the *Post* had the *Monitor* in mind when it added, in another connection, that land-value taxation would not affect church buildings at all and would affect only a little the land on which they stood. Of course, though, the lands which San Francisco's Bishop Alemany held, in expectation of the city's growth, would not return him increments. For Irishreaders, George had made a skillful and anti-hierarchical rejoinder interesting preparation for New York City politics, and Archbishop Corrigan, in 1886 and 1887.

The debate that George's tax ideas might have stirred in San Francisco never quite came off, however, for the reason that the Fitch-Pickering papers brushed aside, rather than considered, the *Post's* editorials. Not until the end of 1873, after considerable goading by George, did the *Call* get around to saying that the due-process clause of the Fourteenth Amendment would render unconstitutional any such scheme as George proposed — not a very responsible argument, and not a sound one, as we now know. Yet George did stir up sufficient San Francisco protest to get a first hearing on a question that was to bedevil him the rest of his days. This was the counter-proposition that to shift all taxes to land values would place extravagant and unjust burdens on farmers, to the advantage of city people.

When the *Chronicle and Examiner*, and later certain inland papers, raised that objection, the *Post* answered by running two lines of distinction, the first between the farmer who owns and operates land and improvements of the size a family can manage, and his neighbor, the speculator-owner of unimproved arable land; and the second, between the owners of rural land and the owners of city land. The working owner of a family-size farm, the

Post told the *Stockton Independent*, might or might not be obliged, under land-value taxation, to pay more real-estate taxes than at present. If his farm was small, he would pay less, and certainly would do so if he was allowed the \$1000 exemption which the *Post* now proposed. Even if his farm was large and well favored, and his tax was as high or higher than before, he would be free from taxes on his house and all improvements, and he would be encouraged to raise his income by purchasing more equipment and improving his techniques. And beyond all that he would live in the satisfaction of knowing that his neighbor of equal acres would share evenly with him the tax burden of the community, whether or not he had invested equally and worked as hard. Taxation according to opportunity to produce.

When the same delta-area journal protested that George's plan would do 'little to persuade men to seek homes in the unpeopled solitude,' the *Post* agreed, with a twist and a difference from the usual American complacency about going to the frontier. Men take their families into the solitude only when they cannot get lands that they can use and afford near their neighbors, and that will be available to the schools and churches which people everywhere want. When another paper objected that all farmers want more land, whether or not they cultivate it decently, the *Post* observed that land value taxation would change all that, to make living more compact. 'Settlement would be closer, cultivation would be better, the cost of transportation and exchange would be less, and the farmers and the state at large would be richer.'

While George's editorials were explaining to farmers the advantages of eliminating buildings and all improvements from the tax-collector's schedule, he was saying also that land-value taxation would fall more heavily, and make for more social and economic reconstruction, in the cities than in the country — in two ways. First, it would take away from the urbanite absentee owners of farmlands the rents they were accustomed to receive from the country. George believed that as many members of this class would yield ownership — that is, permit themselves to be expropriated — as would find it worth while to retain title for the sake of the return from whatever capital they might have put into improvements. Second, land-value taxation would capture for the public the economic rent of urban sites. To be sure the *Post* predicted little in the way of owners'

yielding ownership here. Rather it foresaw proprietors' being compelled to use capital to build on vacant lots and to improve their buildings when sites increased in value: all in order to collect the surplus with which to pay the new tax, and at the same time have interest and profit on money invested and risked.

Here the prospect was painted rosy. The early gainers from land-value tax, the *Post* said, would be laboring men. There would be much new work for the building trades, and a general stimulation to industry and commerce. Figuring that an ordinary house lot cost more than the house built upon it — roughly \$1000 to \$1500 for the lot, \$1000 to \$1200 for the house (a radically different ratio, as well as different figures, from today) — George believed a building boom to be implicit in his plan for a tax-free home lot for every city family.

George invited his San Francisco readers to calculate for themselves. In 1873 a \$2.00 rate on land, improvements, and personal property would raise the needed funds; so also would a \$3.25 rate on land alone, exempting other forms of property. Which would the citizens prefer? Even at present assessments, and even disregarding the enlargement of a city's social services which should follow capturing for the community the full product of urban site rent, George believed that the answer of his San Francisco readers should be obvious.

In all this reasonableness, conceived as pro-labor and pro-capitalist both, Henry George did not lose sight of the fact, nor was he less than candid, that his plan would radically alter property relationships and change the structure of society. In an editorial of 8 November 1873, 'How To Tax the Rich,' he explained: Land values are the source of most of our greatest fortunes. 'With one or two exceptions, perhaps, there is hardly a rich man in San Francisco, or in California, who does not owe the largest part of his fortune to this source ... The proposition to put all taxes on land is a proposition not to exempt the rich and tax the poor, but to exempt the poor and tax the rich.' Looking backward the *Post* remembered the pueblo lands — which could have provided free homesteads for two or three million people but had instead created a few millionaires — and said that land-value taxation could now correct that wrong. Pursuing this vein when the *Alta* observed that San Francisco like other cities would in the future have to expect chronic pauperism, the *Post* gave an explanation. Because,

‘estimating roughly, it is certain that at least one-eighth, and probably one-sixth, of the aggregate earnings of San Francisco is paid in the various forms of rent to the owners of the land on which San Francisco is built,’ some would always lack. ‘As the city increases in population this proportion becomes greater and greater, as is shown in the increase of real-estate values.’ George’s mind’s eye had already reached the point where progress and poverty seemed fated to dwell together, especially in modern cities, as long as property rights in land remained unreformed.

In San Francisco the unwillingness of some papers to give space to debate his program, the part-way acceptance of others, and the rejection of most were all reactions he might have expected, according to the record. But Sacramento, where George had always fared more comfortably, promised to be different. To be sure the three papers there were all Republican, not one of George’s party; but two of them as we know had historic records against monopoly. As a current sign of Republican feeling, moreover, Governor Booth’s biennial message, delivered at the close of 1873, had expressed again his anxieties about land and land policy. Though the governor specifically refused to recommend laws that would change much the institutions and usages of ownership, he urged the legislature that, ‘It still remains true that a large portion of the lands of California are held “on speculation” for the advance in value, to the detriment of the growth and prosperity of the state, and in contravention of the “natural right of everyone born on the earth to so much of its soil as is necessary to his subsistence.”’ In making these observations the governor referred to the recently created state Board of Equalization, as a moderate first step of reform already taken.

Of any element in Sacramento politics and opinion, the Bee was of course the nearest to the Post. There was no chance, though, that it would go all the way with the new George program, and George understood the reason perfectly. McClatchy, as an old member of the New York group of reformers, had given his mind permanently to the homestead principle. Unlike his earlier self, when he wrote *Our Land and Land Policy*, George no longer cared for the theory of limited-size holdings. ‘Restriction would be useful to break up some of the large holdings of agricultural lands, until we can do better,’ was the best he could say for that reform now. But even though the *Post’s* shift to a tax reform scheme might have offended

McClatchy, and even though George pointed sharp comment directly against that paper, McClatchy gave the *Post* claps on the back and reprinted certain strong editorials. Picking up the argument that land-value taxation would accelerate immigration, the *Bee* said: ‘That ought to be the law of every land, but more especially this one ... [Land monopoly] is the curse, the blight, the dark cloud upon California.’ In the same editorial, early in 1873, the *Bee* went with the *Post* in calling for the repeal of all license taxes except those on saloons, and abolishing all property taxes except on land, ‘so that the soil shall pay the expense of government.’

As for the other Sacramento papers, the *Union* gave the *Post* a degree of satisfaction. ‘The people are aroused,’ was George’s comment when the paper for which he had worked responded to his ideas with an editorial for a sliding scale of land-tax rates. On the other hand, the *Union* had recently condemned Henry George’s idea of doing away with taxes on capital, particularly the railroad; and there was very little community of thought between the old and dying paper and the new one.

George’s recent acknowledgment of virtue in Leland Stanford to the contrary, he must have been surprised as well as stimulated when the Central Pacific’s Sacramento *Record*, once his own *Reporter*, came out, while discussion about land policy was heaviest, with a diagnosis and interpretation of the situation very much like his own. Under the general title, ‘The Farms of California,’ the railroad newspaper brought out fourteen heavily statistical articles between 27 October and 14 November 1873, which had been worked up from the tax figures of the state Board of Equalization. Each article surveyed landholding in three or four counties, forty-eight in all. Farms were classified according to size, average holdings were calculated for each classification, and the name of every holder of more than 500 acres was listed. Editorial comments along the way pointed up the more particular findings. Examples are: there was much land engrossment in Los Angeles County, but not as much in that area of Mexican grants as in some other places; Colusa County in the north, where the Bidwell estate was situated, and Kern County in the south, where 13 persons owned 487,908 acres, were the counties where aggregation created the highest-average holdings; and there was one holding — it must have been the Jacks estate, which had also caught Henry George’s eye — of

334,100 acres in Monterey County. At mid-series the *Record* printed a table of recapitulation which was printed also by the *Union* and the *Bee*, and gave a round-number survey of the state as a whole.

Because these findings give much the best control point from which to view objectively the land situation in California, it is reproduced in part, below. This is done especially for the benefit of skeptical readers who may still think that Henry George was imagining things. The immediate source is the *Sacramento Record*, as that paper took the figures, accurately, from the official tax statistics of the Board of Equalization.

The *Sacramento Record's* moral judgment of the whole situation, rendered on 26 October, sounds like Henry George: 'California

<i>Number of Farms</i>	<i>Class by Acreage</i>	<i>Total Acres This Class</i>
23,315	100-499	4,663,000
2,383	500-999	1,787,250
1,126	1,000-1,999	1,689,000
363	2,000-2,999	834,000
189	3,000-3,999	?
104	4,000-4,999	458,000
236	5,000-9,999	1,852,000
158	10,000-19,999	2,670,000
122	20,000 or over	8,782,000

stands today in the singular position of a state which was admitted into the Union on the express principle of opposition to slavery yet which has contrived to blunder into a line of action which could not have been better calculated to build up a slave state had it been the carefully matured plan of some far-seeing Southern politician.' Again like the *Post*, the railroad newspaper blamed land monopolization for the slow settlement of California: a 65,000 acre farm in Alameda County across the bay from San Francisco, it said, which actually supported 20 or 30 people, could well support 1000; the census found only 6165 inhabitants in Colusa County, where there could be 8000 farms and 100,000 people. Naturally Henry George called attention to the *Record's* revelation. He took up again his old refrain, that land engrossment breeds slavery — no longer a monopolized idea.

At the point of recommending action, 5 November, the *Record* retained the role of broad investigator and judicious selector. It considered and

dismissed the Union's policy of a graduated land tax, for which that paper was probably indebted to John R. Days. It presented an adequate and accurate summary of the San Francisco *Post's* plan. Finding that full-value land taxation would mean that 'the property aspect of land ought to be abolished' and something like leasehold title instituted, the *Record* rejected that plan also. 'Custom, prescription, and vested rights' all oppose it, the paper said, and furthermore there exists no 'natural right' to land — no man creates land of his own mind and effort. This fell far short of a sympathetic understanding of George's underlying ethics. Yet in the future we shall look in vain to discover an equally appreciative discussion of George among the great newspapers, and we shall certainly not find it in the conservative New York press during his days of mightiest influence.

The *Record's* own proposal — which it called the one 'feasible plan' because no amendment to the constitution was required — began with a voluntary convention of all the principal landholders of the state. Let them agree on a scale of low prices, none to be higher than \$5 an acre and preferably not higher than \$2.50; and let them bind themselves to sell a given proportion of their lands at the low prices, say one-fourth, or one-half, or two-thirds of their total holdings. Then let the legislature set up a commission to dispose of the land in parcels. The landholders should be willing to act, the *Record* concluded, because nothing less than the filling up of the state waited their decision; prompt action would ease tensions and advance the interests of all Californians.

The fact that the railroad newspaper stepped ahead of the *Post* and did a journalistic 'first' by systematically exposing California land monopolism is rendered yet more piquant by that paper's political conclusions. It advised the forces of protest in the state to put the pressure on the monopolists. Yet the game is perfectly plain: it conforms with the *Record's* opposition to the telegraph monopoly; and it represents the shrewd, not to say Machiavellian, public relations of a railroad which, having consolidated its own monopoly, was now trying at once to build protective political connections in the state and yet keep protest disinfected of much radicalism. The *Record's* 'feasible plan' amounted, of course, to a renewal of Immigrant Union tactics, though with more bite than earlier, to put speculative land cheaply on the market. The Sacramento *Bee* was fair when it described the *Record's* plan of a

convention of landholders as a mechanism calculated to defend and perpetuate all the 'customs, prescriptions, and vested rights' of landholding. And the *Post* spoke the obvious truth about the *Record*, saying that the railroad had everything to gain from speeding up settlement in California.

The *Record* articles and the comment of the other papers, coming to a climax of discussion during the first week of November 1873, raised to the highest intensity of any time during Henry George's California years the public debate on land monopolism. Four solutions had been presented: in San Francisco the *Post's*; in Sacramento the *Union's* and the *Record's*, and also the *Bee's* old policy of acreage limitation on the homestead principle. No one of the proposed reforms ever carried the day; California is today as it was in Henry George's day very much, though not completely, a state of excessively large landholdings, and of a farm-labor problem that has been widely recognized — most famously in John Steinbeck's *Grapes of Wrath* — as akin to slavery. But though the problem has persisted it has never been quite dismissed as unconquerable; and after the attack of 1873 some little headway was made in land reform. Though in February 1874 the *Post* bemoaned that not even such first and immediate steps were being taken as requiring assessors never to assess below government minimum price, it did acknowledge gains in process, when a bill came up to limit holdings of timberland and grazing land. It saw hope when the author of that bill, Assemblyman James Murphy of Del Norte County, was appointed chairman of a session committee on land.

As events developed, the report of that committee in the spring, at the close of the biennial session of 1873-4 — the last during George's career as a big newspaper editor in California — supplies one of the best indications we have of the reach, and the limits of the reach, of Henry George's ideas in the region where they were first proposed. In a passage of opening eloquence, which Henry George approved, the committee used words that might as well have been his own: 'Those who own the soil of any country make all others who live therein pay tribute for living in their native land.' The committee took perspectives on history which sound like the later Henry George: in the Old World landholders have always been men of power as well as of wealth; in the New World we have no right to think the situation very different. Except that primogeniture and entail have been

abolished, American land law remains like Europe's; and America, California climaxing the development, has monopolies as great as the greatest in Western civilization. Here the committee took statistics from the *Sacramento Record*: one group of 2,325 Californians owned an average, each, of 7,265 acres, an estate four times that of the average British landlord, the assemblymen reported. Thus far, as for the premises of action, the committee and Henry George were of one mind.

For the plan of action, however, the committee followed the *Sacramento Bee*. As they were instructed, the committeemen con-

sidered the program of the *Union* and the program of the *Post*; they had no reason to consider the *Record's* plan, because it began with voluntary, non-political action. But they were governed, nevertheless, by the obstacles to graduated taxation and land-value taxation argued by the *Record*: either plan demanded an amendment to the state constitution, and this meant at least a three-year wait. So the report called for a homestead system to be brought about by what was, in effect, a death duty. Present holders, it said, should be undisturbed, but their inheritors should be required to distribute whatever land might come to them in surplus over and beyond a homestead-size estate, which they might retain. Four times the 160-acre unit was suggested for timberland; eight times the unit for grazing lands. The committee estimated that a quarter-century of such a law would end monopoly. From all this the *Post* took such comfort as it had taken from the preceding session, when a sizable minority had voted for the Days land-licensing scheme. Things would happen in the future, Henry George asserted; and he urged readers to remember at the next election the questions formulated but not solved in 1873 and 1874.

Besides being out front in the general direction of the legislature's attention, the *Post* could and did claim that the governor thought about as it did — his biennial message followed the *Record's* report by only a month. And plainly Henry George enjoyed the association of ideas when the *Colusa Sun*, Will Green's old paper, bracketed him with Governor Booth, the two as leaders in California of a group of political economists in the style of John Stuart Mill. Being associated with Mill was as timely as it was flattering to George. Early in 1873 he knew and reported to his readers when the Englishman made a speech at the Land Tenure Reform Association to oppose 'the treatment of land as private property, like things

which are the product of labor.’ This principle, observed George, had inhered in British economic thought from Adam Smith, but only recently had Mill drawn the full and formal deduction; the great economist was now on the right track, and so was the English land reform movement in which he participated.

The sum and structure of George’s writing on land institutions and land taxation, his identifying himself and the *Post* with the two connected but different reform-ideas — no private property in principle, land-value taxation in practice — all amounted to a far

more deeply considered position in 1874 than in 1871, when he brought out *Our Land and Land Policy* and launched the *Post*. When the *Sun* made fun of his ethic that ‘land belongs to him who will use it,’ George reduced to the irreducible his new-found dogmas: ‘The foundation of all property rights is the right of man to himself ... The great principle for which we are contending is the right of the producer to the full fruits of his labor. But rent (for land, not improvements) is legalized robbery; to demand a price for unused land is legalized blackmail; and the land-grabber is a worse enemy of the state than the horse thief or footpad.’

The *Post* never quailed, late in 1874, when the *Yreka Union*, which belonged to Democratic State Senator William Irwin — who was to become governor the next year and was to do Henry George a great favor — said that the *Post’s* tax scheme would lead to the public ownership of land. This time George admitted openly the equivalence of full land-value taxation with landholding by the state. Said the *Post*: ‘We only propose taxation instead of state landlordism, because it is more consistent with the ideas and habits of our people, and could be more easily carried out.’ Citing John Stuart Mill and Adam Smith to testify that a land tax cannot be shifted from the owner, and asserting as moral principle that the value of land ‘belongs to the whole community’ because the community creates that value, Henry George had now carried the *Post* as far in this direction of theory as he could possibly go. Once he even proposed practical state landlordism as the right solution for a particular abuse. When General Bidwell’s 23,000-acre holding in Butte County appeared to be a fraud, George recommended that

the United States, as reversionary owner, assign the estate to California, and then that the state rent the lands, the proceeds to go to the public schools.

The Oakland illumination he had now thought through, and the New York pledge he had rendered into concrete ideas and procedures. The refinement of radical ideas, and still more the task of adjusting them to other ideas — to philosophy and politics — were the more proper undertakings of a book than a newspaper. But he tried them first in the *Post*. Then more years at hard labor would be needed, as we shall see, before *Progress and Poverty* could be born.