

## THE FORGOTTEN IDEA (from page 4)

### Cleveland

In Cleveland, the city's population grew by 109% from 1900 to 1920. For most of this time it was under the administrations of single-taxers Tom L. Johnson, 1901-09, and Newton D. Baker, 1911-16. In 1906, Mayor Johnson inaugurated a low 3-cent trolley fare which entailed possible deficits he intended to meet by taxing real estate. To this day a bronze statue of Johnson stands in downtown Cleveland, holding a book out for all to see, and on it engraved so clear, Progress and Poverty.

Johnson's City Solicitor and ally, Newton D. Baker, was another remarkable leader, who later nearly edged out FDR for the Democratic Presidential nomination in 1932. Baker won the mayoralty in 1911, after an interregnum of just two years. Baker implemented single tax policies until President Wilson appointed him Secretary of War in 1916. This high-level appointment recognized the political power of the single-tax movement in that era, a power that later historians and economists have wrongly trivialized. After 1916, though, Cleveland slowly fell into old-line Tory hands.

### Detroit

The soaring growth experienced by Detroit from 1890 to 1930 obviously involved the auto industry, but why did that industry focus on Detroit? There was no St. Lawrence Seaway—that opened in 1959. Growth began under Mayor, then Governor Hazen S. Pingree. Pingree had called Tom Johnson to Detroit in 1899 to help beef up its street car system and lower fares, under public ownership. It is one of the great ironies: The Motor City, whose auto firms did so much to destroy mass transit, originally attracted them by providing cheap mass transit for their workers. The sensational collapse of Detroit came after 1950 when Detroit's leaders, auto-oriented, forgot the Pingree policies that had launched Detroit earlier.

### Milwaukee

Milwaukee grew fast for 30 years under its Socialist Party Mayors Emil Seidel (1910-12) and Daniel Hoan (1916-40). Hoan's tenure was the longest of any Mayor of a large American city; he was nationally recognized as the best mayor in the country, and Milwaukee under Hoan was the best-governed city. Hoan's brand of what others labeled "sewer socialism" consisted in keeping transit and utility user-rates low, and meeting deficits by raising property taxes.

The formula for growing and revitalizing cities seems to be the same, whether under a "socialist" like Hoan or a colorful populist like Johnson: supply infrastructure, keep user-rates low, raise land taxes, attend to the details of assessment, and go easy on taxing buildings.

### Chicago

From 1890-1900, Chicago grew by 54%, but it did not just spread, it pioneered the skyscraper, and centralized its transit system as few other cities ever did. From 1900-30 it continued to grow at higher percentage rates than most other cities, and much higher absolute rates, confirming its status as America's second largest city. Who was Chicago's Tom Johnson? It was not one person, but a large and shifting group. Chicago lawyer John Peter Altgeld, humanitarian and reformer, was Governor of Illinois, 1892-96. His administration contained several single-taxers, including young Brand Whitlock, future Mayor of Toledo, whom Altgeld inspired. Altgeld directly corresponded and worked with Henry George, and, according to Whitlock, "understood" George's ideas like few others.

Today's influential "Chicago School" of economists at the University of Chicago take it on faith that unions obstruct economic growth, but one could not illustrate it from the City of Chicago, a major center of union activity during its period of fastest growth. These unions supported Altgeld, and Single Tax ideas.

Chicago's low transit fares and utility rates were an integral part of single-tax ideology in those days. At the same time Chicago, like San Francisco and New York, pioneered city parks and public spaces on a grand scale, laid out in the Daniel Burnham Plan, developed while the Single Taxer Edward F. Dunne was Mayor.

### San Francisco

Born-again San Francisco, 1907-30, makes an edifying case study in regenerative tax policy. Historians have focused on the earthquake and fire of 1906, but blanked out the recovery. We do know, though, that in 1907 San Francisco elected a reform Mayor, Edward Robeson Taylor, with a uniquely relevant background: he had helped Henry George write *Progress and Poverty* in 1879. It was a jolt to replace the lost part of the tax base by taxing land value more, but small enough to be doable. This firm tax base also sustained S.F.'s credit to finance the great burst of civic works that was to follow. Taylor retired in 1909, but soon laid his hands on James Rolph, who remained Mayor for 19 years, 1911-30, a period of civic unity and public works. "Sunny Jim" Rolph expanded city enterprise into water supply, planning, municipally-owned mass transit, the Panama-Pacific International Exposition, and the matchless Civic Center.

Population growth is not always a goal of civic policy. But it is vital to the interests of labor to have cities vie to attract people by fostering good use of their land. That is, indeed, the main point of Henry George's thesis in *Progress and Poverty*. A healthy economy generates surpluses that belie the Chicago School slogan that "There is no free lunch." Land rents are the free lunch, and perhaps Connecticut's move this year indicates that this time-proven wisdom is beginning to spread once again.

(Dr. Mason Gaffney, Riverside, CA, may be emailed at [m.gaffney@dslextrême.com](mailto:m.gaffney@dslextrême.com). Rich Nymoen, Maplewood, MN, can be emailed at [rnymoen@aol.com](mailto:rnymoen@aol.com)) <<

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