Henry George's Other Idea:
"Free Trade and the Construction of a Georgist Politics"

by Dr. Ronald Yanosky

(Editors' note: The following is an edited version of a
lengthier speech by Dr. Yanosky August 8, 1997 at the
Council of Georgist Organizations conference in South
Plainfield, N.J.)

One hundred years ago this fall George accepted to run
for mayor for Greater New York despite warning of doctors
that campaign would cost him his life. Eleven years earlier
George accepted another nomination for the same office
under circumstances less physically threatening but never-
theless laden with physical risk and exposure to every kind
of political vilification. George's campaigns of 1886 and 1897
have some continuities. Both of those campaigns high-
lighted land value tax in an urban context. Both pitted
George against abusive political machines and both ended in
triumphant defeat. I want to draw your attention to the
differences in the two mayor campaigns, one that has
implications for understanding history of single tax move-
ment.

In 1886, Henry George ran as the candidate of an
independent labor party which was largely the creation of
NYC's Central Labor Union. George's third party candidacy
galvanized the usually divided NYC Democrats into united
action against George, and their candidate, Abram Hewitt,
won the election.

In 1897 George himself ran as a Democrat. To be sure
he was still the enemy of Tammy Hall, New York City's
famously corrupt political organization. George's own or-
nization, which called itself the Jeffersonian Democracy
of Greater New York, proudly claimed that it was the national
representative of the party within the city. This was stretch-
ing a point, but the Georgites did back up that claim, with
support of influential Democrats, including Democrats of the
Democratic National Committee and they got moderate
support from the party's standard bearer, William Jennings
Bryan.

How did the rebels of 1886 turn into the legitimists of
1897? Henry George was born into a Jacksonian Democratic
household, and his father in fact was a political appointee for
a period of time. For most of the time that George was
developing his land theories, he was in fact a partisan
Democrat, particularly in the 1870s. Still in his early years
as a radical Republican, and later years as an Independent
candidate, George was not a participant in the kind of
tribalistic partisanship of the gilded age. George's con-
verts, too, came from both major parties as well as several
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St. Louis Georgists host booth at NCSL

The St. Louis chapter of Common Ground-USA
members repeated their success of last year when
they hosted a booth at the National Conference of
State Legislatures meeting this year in Philadelphia.

"Many legislators and staff persons remembered
us from having visited our booth last year," said Al
Katzenberger, one of the hosts of the booth at the
Philadelphia meeting of the NCSL held August 6-9,
1997. Besides about 1400 copies of Common Ground-
USA's updated "Revenue Source," legislative outreach
brochure, another CG-USA hand-out piece was devel-
oped for distribution this year. Last year many per-
sons asked about the Internet, so a postcard was
developed with Georgist web pages addresses (See
insert bottom of page 2). The front side of the post-
card was the Henry George image and text developed
by Jim Busey (see the May-June 1997 issue of
GroundSwell).

Another addition to the Georgist handouts this
year from the booth were
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organization called Knights of Labor, George recognized that that organization was diffuse, and an entity that had a very crowded and even problematic agenda.

On the other hand, tariff reform forces within the Democratic party were beginning to become more active by 1884. George was looking for a way to take his ideas and inject them into a rising political instrument of tariff reform. The result was George's book, Protection or Free Trade, which appeared in 1886 as a book. It was serialized in the newspapers before that. I think this is as George's second most important work. That book repeated many of the classical economists' arguments against the protective tariff. Protection discourages the full exploitation of local advantage, and does not raise wages, and it involves the state in decisions that the state is incompetent to make. One writer, Thomas Martin, has argued that George anticipated many important elements of neoclassical trade theory, with the observation that land abundance rather than protectionism contributed to high wages in America.

George, while repeating arguments from some of the classical economists, went to some trouble to create a distinctive argument, and in particular he took pains to legitimize the American workers' suspicions of tariff reform. Part of the problem, George thought was that most tariff reformers drained away all of the moral and intellectual force of the idea of free trade, by seeking a tariff for revenue, as opposed to a protective tariff. You have to keep in mind there was no income tax. The largest single source of revenue was the tariff, and a high protective tariff had been in place since the early days of the Civil War when the early Republican party had succeeded in putting in place this high protective tariff.

So that idea of a revenue tariff was the prevailing idea among most Democrats, and George in Protection or Free Trade seized the radical position and demanded the full repeal of all tariffs. He called it the New Abolitionists crusade. And that, in turn would turn the trade debate, not just on point of economic efficiency, but also turn it into a question of how we were to meet the common needs of society at large, which George saw as a much more significant and morally inspiring idea.

Workers were also right, George added, to suspect that even toll-free trade would not help them in the long run. The reason was that rising rents would siphon off the wealth that more efficient trade had to create. Land Value Tax, then, was the logical end of true tariff reform, fulfilling free trade's promise of efficiency and abundance, while capturing socially created values for common purposes.

In the final section on Protection or Free Trade, Henry George abruptly switched from militance to pragmatism. The zeal of the propagandist, he wrote, must be supplemented by the skill of the politician. And he suggested that the rising national climate for tariff reform, even if it was just at revenue levels, made the trade issue the logical starting point for his program of eliminating all taxes save those on land values. Georgists should join forces, then, with the Democratic tariff revenue advocates, and their allies. The renegade Republican reformers known as the Mugwumps, were also part of an alliance with these tariff reformers in the Democratic party. So George had proposed this combination of radicalism in free trade and the pragmatic alliance with the Democratic tariff reformers.

George always believed in the irresistible power of great ideas. Politicians and tariff moderates, he wrote, would go further than they now dreamed; it is the law of all such movements that they must become more and more radical.

Furthermore, George was convinced that Americans had to move beyond sectional and racial divisions they had been obsessed with for so long during the Civil War and Reconstruction, and that had to adapt to the demands of a modernizing industrial economy. The huge value of the tariff debate was that people were talking about economics, instead of talking about the North versus the South or issues that had grown out of the Civil War. So in the party of Jefferson and Jackson, the Democratic party, he saw an unmatched tradition of popular sovereign...
eighty and resistance to special privilege that he thought was appropriate to his agenda of a more economically oriented American politics. George was never fully willing to give up hope that the Democratic party might return to its old promise.

In the summer of 1886, it was this gentle road strategy of largely Independent Labor politics that absorbed George's energies. With his recent convert Tom Johnson, the Cleveland street car magnate, and a small group of other followers, George founded the American Tax Reform League, which had about ten members, and he founded it as a vehicle for tariff agitation. They were just getting started with this organization when a call came from Central Labor Union asking him to join in the Independent campaign for mayor that summer.

It may be a measure of George's own misgivings, about the alliance he was forming with the Democrats and the Tax Reform League as a vehicle for reform, that when that call came from the Central Labor Union, George dropped the Tax Reform League and entered his famous mayoral campaign. Still the Tax Reform model for Georgists activism remained available for future use. George's stunning near-victory in New York City in the famous campaign of 1886 was international news. For a few heady months it appeared that Henry George would become the leader of an American labor party, and smash open the two party system in the United States. But if the mayoralty campaign was a triumph, the succeeding effort to institutionalize and nationalize the United Labor Party was a humiliating failure.

To be sure the United Labor Party, the party George began to build immediately after the New York campaign, and its religious sibling, the Anti-Poverty Society, founded the following year, aroused the enthusiasm of George's followers around the country to heights that have never been matched before or after.

Georgists in the afterglow of 1886 began to discover one another and to find a common identity drenched in idealism of the single tax. It soon found itself surrounded by powerful enemies and mired in internal disputes. In the opinion of one hard-nosed single taxer looking back on it all, the years following George's 1886 campaign constituted the howling dervish stage of emotional insanity. What happened during the howling dervish stage: a bruising battle with Socialists, a titanic struggle with the Catholic hierarchy over Edward McGlynn's excommunication, and George's controversial refusal to seek clemency for the Haymarket anarchists who were scheduled to be executed, and were executed in 1887, all of which cut into the United Labor Party's support, while hostility of the major parties remained implacable everywhere the party tried to organize. Consider the campaign to become New York's Secretary of State in 1887, where George drew only 72,000 votes statewide out of a million cast. This dissipated the credibility of the previous vote and broke the magic spell of the Independent Labor Party.

It didn't take Henry George long to find a new path, or rather another one. A mounting federal surplus brought in by the old war-time protective tariff embarrassed the Republican Party, and it emboldened Democrats who were pressing for tariff reform. In Dec. 1887 Democrat Grover Cleveland, the first Democrat elected to the Presidency since the Civil War, committed his administration to the tariff issue with a message to Congress. He really made it clear he was not a radical free trader. It's the condition, not a theory, of the surplus confronting us. Free trade was absolutely irrelevant. Cleveland's tariff message also resonated with the themes of Andrew Jackson's famous attack almost half a century earlier on the National Bank of the United States. The protective tariff, Cleveland maintained, created special privilege for the few at the expense of the many. It fostered trust which strangled competition. He then urged Congress to cut the tariff to revenue levels, and the Republican Protectionist leader, James G. Blaine, quickly attacked that and set up the national tariff debate of 1888.

To Henry George's straining ears, Cleveland's message suggested that the Democrats were finally returning to its historic program of economic democracy. He was quietly telling his friend, Louis Post, that he now saw the hand of God in his defeat. George reverted, as it were, to Plan A. He was soon arguing that Georgists should abandon the United Labor Party and that they should support Grover Cleveland in the free trade in 1888, even if they did not consider themselves Democrats. George could present this idea, but it would take two years of difficult struggle to achieve something like a full Georgist commitment to this idea. The proposal to abandon Independent politics in order to support the party of Abram Hewitt and Tammany Hall outraged a large portion, perhaps the majority, of the organized Georgist movement. There is no question that a very large number of George's followers thought that he had gone out of his mind.

Edward McGlynn, who retained Republican sympathies and preached in an especially altruistic brand of Christian Georgism, led a bitter resistance to the affiliation with Cleveland that George had suggested. George himself, McGlynn pointed out, taught his followers that trade was a secondary issue to the land issue. It was far better McGlynn thought, for the movement to field its own Presidential ticket in 1888 and retain its separate identity, even if its support proved to be minuscule. The division soon got ugly, each side attempting to expel the other from the anti-Poverty Society and each side exchanging dark suggestions of payoffs and treachery. Eventually McGlynn and the members of the United Labor Party fielded tickets both in the New York city election and for the Presidency, a comicality of a truly miserably 2800 votes. The Labor Party disappeared into oblivion at the end of 1888. For George and his loyalists, the people who pulled out, for them to avoid the same fate, was another matter.

Many Georgists welcomed the free trade tactic. Many others, especially outside New York, did not, and George quickly realized in 1888 that his movement had never taken free trade to its heart. George's circle of those closest to him included financial backers Tom Johnson and Thomas Shearman and his trusted friends and editors on the Standard, Louis Post and William Croasdale. This group

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undertook the delicate task of elevating the movement's enthusiasm for free trade while deflating at the same time its passion for independent politics.

For the first part of this task, getting people more excited about free trade. George returned to the Protection or Free Trade book, insisting that the tariff presented issues no less compatible than land reform itself. On pages of his newspaper and on public platforms, George repeated that free trade represented an unfettered operation of natural law. Preserve the right of free men to labor as they desired and to promote world peace. "I for one will go into this campaign with more enthusiasm than I have ever felt in any national campaign since I voted for Abraham Lincoln," George wrote. This kind of enthusiasm by the master himself to bring free trade, and Grover Cleveland along with it, into the Georgist movement culture slowly began to show results as 1888 progressed.

What began to happen in 1888 is we start seeing another variation of "how people saw the cat" stories of how I became a free trader. The fact that people had been convinced to become Single Taxers (and they were just beginning to use that phrase at this point) in a way made it easier for them to trust Henry George on the question of free trade and the Democratic alliance.

George gradually then began to see that characteristic zeal of the Single Tax movement and push it into the free trade issue. By the end of 1888, in fact, with most of the serious dissidents packed into the sinking United Labor Party, it was pretty difficult to be an active Single Taxer without also being a Free Trader. I would even argue during this period it was more of a test whether you were a loyal Georgist and to believe in free trade than to believe that there was no right to private property in land.

Georgists distinguished as well between the nationalist Democrats of Grover Cleveland and the democratic machines like Tammany Hall which always deserved contempt. Tammany Hall had no enthusiasm either for Grover Cleveland or for Henry George and they returned the compliment in 1888 by organizing a political parade through the streets of New York in which marchers chanted, "Don't be afraid; tariff reform is not free trade." This led some Georgists to wonder if they were really welcome as participants in the Democratic campaign. Over time it became increasingly difficult to hold the democracy at arm's length. There was a logic to George's Democratic cooperation, and Single Taxers would not long cheer from the sidelines. This public common cause with Democrats made strange bedfellows and seemed to create endorsements where formerly there was none.

For example, many of you will be familiar with the famous story of Henry George in 1886 when considering running for mayor. Being approached by a local functionary of the local Democratic party, offering him a safe Congressional seat which Tammany would kind of arrange for him if he would not run for mayor (and the problem with running for mayor, he was told, was that it would raise Hell), he famously replied, you have relieved me of embarrassment; I do not wish to be mayor of New York, but I do want to raise Hell, and I will run. The county Democrats were more reform minded and more respectable in New York. William Living was a county Democrat and that is why he was chosen to come to approach Henry George, who they knew would not talk to anybody from Tammany.

Democrats came with Tom Johnson's nomination as a Democratic candidate for Congress in Ohio's 21st district in 1888. With Tom Johnson's nomination to run for Congress in 1888, Georgists now found themselves with an undisputed Single Taxer, one of the leading voices for the movement in the country, who was in fact a party Democrat. Many other Georgists would participate in Democratic elections over the next few years as candidates and as workers at the local, state, and national level. Georgists endorsement, then by the end of the 1880s, for Democrats was becoming a little more potent than the relationship originally described.

The effect of the free trade agitation in this period went well beyond building political bridges to the Democratic party. Thomas Shearman who was originally a Republican, and was one of the most conservative Single Taxers of the period, suggested the name Single Tax for the Georgist remedy in 1887 and it quickly came into use. It was actually the free trade agitation, not the name Single Tax, that focused Georgism for the first time on taxation issues. Along with this shift in focus came a change in the discourse, the language that George used.

Fighting over the various tariff reform measures in the late 1880s and early 1890s, focused Georgists more heavily than they had been before in empirical analysis, scrutinizing official reports and peering into the workings of committees, which continues to delight so many of those who work in the land value taxation movement. In other words, free trade began to make Single Taxers into policy wimps. The tax focus then spread from the national level down into such issues as real estate and personal property tax reform. Johnson's political connections in Ohio got George an invitation to testify before a state legislative committee in 1889. Testifying and the lobbying that went along with it would soon become a fixture of single tax activists.

Georgists, at the same time they were becoming Democrats or aligning with Democrats, were also joining free trade clubs, which tended to be rather a weak group of people, and in fact Georgists would come to dominate the American Free Trade League by the turn of the century.

Georgists as part of the new campaign also began to join the elite reform and constitution city clubs; these were all kinds of civic-minded clubs that were quite popular at the end of the 19th century, where Georgists began to develop contacts with middle-class liberal reformers. The phrase Single Tax has often been criticized, even by Georgists, for reducing a whole philosophy down to a policy gimmick. Free trade and the new tax code of the period I am talking about did carry the movement away from passionate confrontations and the religious fervor of the very early days of the movement.

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The tax paradigm, this notion of talking about this kind of taxation brought one further schism in the Georgist movement in 1889: a fellow by the name of the Rev. Hugh Pentecost and several Georgist editors on the Standard protested this Democratic alliance and what they called the uselessness of Georgism to fiscal trivialities. The Pentecost group suggested that rather than being aligned with Democrats, Georgists ought to be aligned with more progressive types like Edward Bellamy's Utopian and socialist movement, or perhaps with the Populist party which was just being formed at that time. George completely repudiated this group, attacked them quite harshly as they did him. They essentially pulled themselves out of the Single Tax movement. This was another situation where the critics of the Democratic alliance essentially broke themselves away and became a splinter group and eventually went spinning off into other ideas. So there was Georgist opposition to the notion of fiscal policy issues, taxation issues, and the so-called Single Tax. But still I am not convinced that taxation model was the end of Georgist altruism.

Free trade had to assault the Georgists on moral and inspirational grounds. When local single taxers seemed to drift too far from the moral side of doctrine, George was quite willing to bring them up short. So the lobbying, politicking, club joining, numbers crunching single taxers who emerged from the early Free Trade campaign maintained an intensity for the Georgist ideals fortified by their experience of having seen the cat. They also tried to come to terms with the realization that not everyone would see the cat. They were becoming what might be called policy radicals, hoping that the essentials of a radical philosophy could be put into place through mundane evolutionary change in other forms, through tariff reforms and municipal ownership of utilities, home rule taxation and the separate assessment of buildings and land.

At the same time Georgists were learning the skills in establishing power bases, that would make them influential contributors to the rising Progressive movement at the turn of the century. By 1890 the Free Trade-Single Tax strategy was beginning to pay dividends. Out of the previous years' Single Tax Club movement (there were over 130 clubs in 1890; several in New York, some in Chicago, San Francisco — some of which had permanent club buildings, some had cafes, reading rooms, lecture halls, billiard tables) in Sept. 1890 a triumphant convention of Single Taxers was held for the first time in Cooper Union. At that convention they easily worked out a platform of single tax, free trade, and public ownership of utilities. Grover Cleveland ran for President in 1888 and lost, in large part because he ran a kind of unenthusiastic campaign. Tom Johnson had also lost in his bid to get elected to Congress that year.

Public reaction in the immediate years after the election turned against the victorious Republicans, especially after a steeply protective McKinley tariff bill was passed in 1890. The McKinley tariff bill sparked an immense revolt against the Republican party leading to the largest single change-over in congressional seats in American history, as a percentage. Almost all the new congressmen coming in were Democrats or Populists who were also committed to free trade. In that 1890 election, three single taxers were among the new freshmen Congressmen in the House of Representatives, Tom Johnson and Tom Dewitt Warner of New York of the Democrats, and Sockless Jerry Simpson, as he was called, the Kansas Populist. Georgists were beginning to get some payoffs from this affiliation with the Democratic party. Georgists supported Grover Cleveland when he ran again in 1892, this time successfully; Cleveland is the only President who has been elected twice but not consecutively.

And Tom Johnson went on to play a prominent role in the tariff debates in the years that followed Cleveland’s victory. George’s Protection of Free Trade book was read into the Congressional Record posted through Tom Johnson’s office, and in fact the pamphlet form it was printed in became one of the Democrats most widely circulated documents in the tariff battles of the early 1890s. Without question, the free trade tactic kept Georgists on the political map long after the coalitions with the United Labor Party had faded away.

One thing that the free trade tactic did not achieve was free trade. The economy crashed soon after Grover Cleveland won his second election, taking office in March of 1893, and the President along with many others blamed the depression on monetary rather than trade problems. With pressure off the tariff issue, industrial groups saved most of the key protections, and the resulting Wilson tariff of 1894 included only modest decreases. Georgists voted against this bill in its final form, even though they had been pushing the original version of the bill that started in the House of Representatives. That bill of 1894 did include a revolutionary income tax on very high incomes, which Tom Johnson had described as communism — said he didn’t like income taxes, but nevertheless Tom Johnson voted for the first post civil war income tax in that it was at least an improvement over the indirect form of taxation that the tariff represented. The income tax, at any rate, was declared unconstitutional the following year, though Georgists would be active in the revival of the income tax later on early in the 20th century.

The great tariff debate in American politics gave way to the so-called battle of the standards. Free silver (or the unlimited coinage of silver at 16 to 1) was the great panacea of the Bryanite Democrats in this part of the 1890s. The loss of their key issue, money radicalism, was a disappointment to the Single Taxers but it did not mark the end of their affiliation with the Democrats. The Georgists watched their former partners in tariff reform, the Mugwumps - the former Republicans who had helped them out before return in droves to the McKinley side of politics when William Jennings Bryan won the 1896 Democratic and Populist nominations. With few exceptions the single taxers themselves were loyal Bryan supporters. Georgists might disagree on a free silver panacea, even among themselves, certainly with most

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Democrats, but they could not stomach the thought that the architect of Republican high protectionism, McKinley, might enter the White House. Unfortunately, he did so by winning the election of 1896. McKinley’s victory inaugurated a long period of Republican domination of national affairs, which enshrined protectionism as American industrial policy. It wasn’t until the 1980s that we began seriously to move away from it.

So Georgists essentially became Democrats. I want to remind you that the Democratic Party in the 1890s was a pretty different animal than it is today. It was a conservative party and an anti-statist party but it was also the party that prided itself with its identification with popular interests. Democrats were sort of groping their way toward finding a politics of economic democracy consistent with their tradition. And a lot of single taxers thought that William Jennings Bryan was the man with that idea. He had terrible economic ideas maybe, but his heart was in the right place. And he was a tariff reformer.

Georgists’ identification with the Democratic Party did a lot of things for the single tax movement, but there is a disturbing side to that affiliation. Now Georgists in the days they were carrying on independent politics in the form of the United Labor Party had included African Americans in their party, and George himself had insisted in the party that blacks not be segregated or put in separate organizations or dismissed from the party. This caused him a lot of trouble in the South. But he stuck to that idea. I might add that the United Labor Party organizations that stuck to that policy in places like Charleston, that tried to create a cross-racial structure, were absolutely crushed by the white supremacy Democratic power structure. Nonetheless, George had fought the good fight in the early 1880s and the experience of the devastating losses and the hopeless chances of creating an independent party during that period killed George away from insisting on racial justice within American politics. George definitely wanted to move the national agenda away from racial issues, and one way to do this was to focus on things like Democratic tariff reform. The result then was the single tax movement began to cling to the notion that the single tax would solve the race problem.

It became kind of convenient to believe that the single tax through its emphasis on economic justice could solve the more immediate problems like political participation in the South. Georgists for the most part acquiesced if not actually participated in the Democratic party’s racial policies along with their affiliation with that party. Given the somewhat compromising position of moving into the Democratic party and its dismal outcome of tariff reform, one might easily regard the free trade agitation as yet another disaster in the history of the single tax movement’s political history.

On the whole, it seems to me that free trade served the movement well. The political base built after 1888 endured after defeat of tariff reform in 1894. Tom Johnson lost his Congressional seat in the 1894 crest, known at the time as the slaughter of the innocents. Even after leaving Congress, Johnson became a major figure in Democratic reform politics and his political base in Cleveland, Ohio, went on to become one of the hothouses of progressive reform. Johnson’s city of Cleveland produced two of the bright stars of Democratic progressivism, Frederick Howe and Newton Baker. Another single tax congressman, James Maguire, won the nomination for governor of California in 1898. One of his protégés in the San Francisco single tax movement was Franklin Lane, who joined Newton Baker in Woodrow Wilson’s cabinet in the teens.

Louis Post, Henry George Jr. and the influential Progressive congressman, Warren Bailey, benefited from the Democratic single tax connection that was forged in 1888. Through free trade the single taxers became one of the earliest groups contributing to the repolitization of Democratic social policy in the age of Cleveland and Bryan. And by doing so, they in turn became one of the major streams following into the broad reform current known as Progressivism. In strong contrast to other Progressives, however, Georgists remained grounded in the classical economics tradition in a natural law philosophy. They continued to advocate restrained use of state powers. The important place of Henry George’s other idea in the early Georgist activism helps us understand how a movement that was at the heart of Progressive reform also, a few decades later, became one of the leading shapers of modern Libertarianism.

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