

Georgism In Australia: The First Thirty Years

*by Professor Geoffrey Hawker The Henry George Commemoration
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Tonight we could anticipate the time a year hence when the life of Henry George, on the centenary of his death, will be celebrated in so many parts of the world. My hope is that my remarks tonight will play some positive part, however small, in that soon forthcoming review of the man and the movement.

Tonight though my subject is less Henry George as a man and a life than Georgism as a movement of social and political change in Australia.

Let me start with the much celebrated visit of Henry George to Australia in 1890. When he spoke at the Sydney Town Hall – barely a hundred yards from where we are gathered tonight – he was greeted by large and enthusiastic crowds – as indeed he was in the other towns he visited in Victoria, South Australia and Queensland during his visit.

On the occasion of his first speech in the town hall the local newspaper which gave the closest coverage to his visit – the Daily Telegraph, at that time it was a progressive, even a radical newspaper – noted:

“One remarkable fact that could not fail to strike the observer at last night’s gathering . . . was the large proportion of comparatively young men present . . . The great majority of those present were men of the class with whom the future of Australia largely rests. It is one of the most gratifying features of the single tax movement that it should have brought to the front a greater proportionate degree of youthful energy, vigour and aggressive intellectuality than almost any other phase of our public life.”
(DT 7 March 1890)

It is this group of “young men” or some of them at least – that I would like to follow tonight. That group – who might have been twenty or thirty years old in 1890 and who reached their maturity of 50 or 60 years or so by the end of the first world war. And so the decades on either side of the century is our historical span tonight. What happened to them, to their political aspirations, to the Georgist message that they carried into twentieth century Australia?

This was a turbulent period in Australian politics and Georgism is a very important part of the story.

Two cautionary points first. One, to speak of “young men” is not quite right. No doubt there were women there, and we should not ignore their history in the Georgist movement. Clyde Cameron has reminded us of this in describing his mother:

“. . . the writer who came nearest to her own inclinations was Henry George . . . Every mealtime she used to talk with us about the state of society explaining that it did not have to be the way it was . . . It was her influence that caused me to become the secretary of the Henry George League in Gawler”.

(Connell, Confessions of Clyde Cameron pp 5-6)

A second point is that Georgism is important in Australian political history but that is not much or well documented. No doubt people here tonight are acutely aware of this fact. Much still needs to come from beyond mainstream Georgism, from the critics and from the academy.

The fact remains that unavoidably – with the material and in the time available – I’m led tonight to focus on public life: public office and parliament; and the creation of political parties. The fact remains too that essentially Georgism has been written off by most historians as a movement that had a significance, at a certain limited point, for a certain limited period. For example, Nairn says:

“George’s influence has been overrated by several historians and publicists. None of his doctrines was original and all were theoretically and practically flawed however beguilingly propagated. His views on leasehold and taxation of unimproved land values were held independently by many Australians and their partial legislative adoption owed little to George. His central ideas of the “unearned increment” and single tax are now historical curiosities”.

(Nairn ADB p 242)

I would like to put it another way: to see Georgism as a movement with a history and ask could Georgism have become a political party? What difference might this have made?

For our purposes tonight it’s convenient and I think helpful to divide the early story of Georgism in Australia into periods of about equal length – of about a decade long. These uniform periods of time will I hope give some sense of the relative weight of Georgism in political debate and action in Australia as time unfolds.

And I can’t hide my broad conclusion that Georgism declined in political force across the period as a whole: the Georgist movement was not as strong by 1920, that is to say, as it had been in 1890 at the time of Henry George’s visit.

For reasons I will explain later, I don’t think that fact pre-ordained the later history of Georgism – after 1920 – and I don’t think it determines what is possible in the politics of the 21st century: but more of that later perhaps.

1. The Early Years 1880-1890

I define these as the years of the 1880s, before Henry George visited Australia of course. For Georgism was important before George arrived in Australia. 'Progress and Poverty' was published in 1879 and was serialised in part in an Australian newspaper that very year. The book itself was in circulation by the early 1880s and the Essays of 1883 were also available in a short time to readers. In today's technological age we celebrate the immediacy of telephone, fax and the computerised Internet but we may underrate how quickly the important messages of a century ago were communicated.

It is certain that the message of Georgism was indeed spread quickly and widely throughout the Australian colonies. The time was ripe for the message.

I take just a few quotations from well-known commentators. According to one historian:

'Progress and Poverty' was discussed, damned, praised, and analysed on all levels from the professorial to the political". (Picard p 46)

According to Billy Hughes, looking back over many years:

"This was the hour of Australia's great awakening . . . Henry George with his panacea for all economic and social ills – the single tax – captured the imagination of thousands of young and ardent spirits. Single Tax leagues sprang up as if by magic and converts, fired by enthusiasm, went about like the early Christians preaching the gospel. and Multitudes heard them and enlisted under their banner."
(Hughes, 'Crusts and Crusades' p 60)

But these are sardonic words. Hughes was 83 years old when he wrote those words after the Second World War and I think his memory distorted the contemporary reality – or more likely he had some scores to settle, perhaps with his own young self, in rewriting history.

The words of Hughes, written in retrospect, were not representative of contemporary reaction to Georgism. Whilst it would be absurd to say that everyone was a Georgist, the evidence is that a broad majority of the reforming elements of the polity came at least for a time under the banner of Georgism.

Included were radicals, labourites, socialists, reforming liberals, populists and others, including some voices that later were very well known, though their Georgism by that time was obscure. One was Alfred Deakin, thrice prime minister, who as early as 1882 declared himself "a declared Georgist"; another was (Sir) Samuel Griffith, premier and chief justice of Queensland and founding high court justice. In the Labor party, apart from Billy Hughes, were Andrew Fisher, the second Labor prime minister; George Pearce, the long-serving defence minister; and William Holman, a

premier of NSW. The voice of Georgism was also heard powerfully at the intercolonial trades union congress of 1888 when the famous motion, passed without opposition, was that:

“It is the opinion of this Congress, that a simple yet sovereign remedy which will raise wages, increase and give remunerative employment, abolish poverty, extirpate pauperism, lessen crime, elevate moral taste and intelligence, purify government, and carry civilisation to a yet nobler height, is to abolish all taxation save that on land values.”

By the middle of the 1880s the political system that had dominated all Australian colonies since self government in the mid 1850s was breaking down, though what would replace it was not clear. That system had revolved everywhere around domination by a political elite – a mixture of landowners in the upper houses and middle class professionals and business men in the lower. Excluded from politics were women, Aborigines, and virtually all the labouring or working classes and what has been called broadly “the democracy”. Georgism was part of the movement that gave these new classes their identity and representation. What exactly was the form and shape of that broad movement requires further detailed historical work, but it is clear that the influence of Georgism was seminal.

From the mid 1880s to around the turn of the century politics everywhere was turbulently reshaped, initially through the construction of politics as a battle between freetraders and protectionists. Georgism was crucially important in this transition, in influencing both the ways in which the freetrade and protectionist parties replaced the earlier factions, and then in turn how those parties were replaced by Labor and anti-Labor (as for convenience I must summarise the liberal and conservative parties for the moment).

Farrell and Cotton

Let us examine briefly the lives of two well known Georgists – not quite of the rank of those just mentioned but nevertheless important in revealing the political currents in which Georgism flowed. These are John Farrell (a journalist and poet) and Frank Cotton (a member of parliament). Both were prominent and active Georgists, especially in the Sydney of the 1890s. In some ways these two men represented the common core of Georgism, but also to some extent its differences, at least where political tactics were concerned.

They were both born in the 1850s and read Henry George in their early thirties, though they had rather different backgrounds. Farrell’s was pioneering and tough, Cotton’s a little more settled and moneyed. John Farrell born to Irish immigrants looking for work off the coast of Argentina at the time of his birth, and he ended up in the Victorian goldfields with his family; work was chancy and at the age of 15 he turned to droving. So did Frank Cotton, born in Adelaide to a richer family about six years later; he

was droving by the mid 1880s too, at which time it surely was that both men became immersed in Georgism. As Farrell later said of those times:

“Out in the great bush where men have time to think, Progress and Poverty was read with understanding and passed from hand to hand until the sublime truth of it was impressed on many.”

Their lives took shape accordingly though somewhat divergently.

Farrell found a good job at a brewery in Queanbeyan for a time and became something we might not have expected: a writer, a poet, a representative of that new literary movement that was taking shape in Australia as a vital expression of the new sense of Australian nationalism permeating the still separate colonies. Such nationalism found its expression above all in the Sydney Bulletin, for which Farrell wrote. Indeed he is credited with having written the first short story about Australian local life (“One Christmas Day”) in 1884. By the late 1880s, still barely 40, he felt confident enough to move to Sydney as a writer and journalist – and political activist. He accompanied Henry George on his tour throughout the Australian colonies and wrote extensively about it. His poems, stories and journalism continued throughout the rest of the decade until his death in 1904, aged 57.

Frank Cotton’s droving in the cattle country and later activities among the shearers of Wagga Wagga made him a powerful unionist by the late 1890s and he came to Sydney – like Farrell – around 1890. Political action was sharpest in Sydney and it was the energies of the two men in Georgist politics that drew them to the city. The two must have known each other well, though from somewhat different positions: Farrell was the writer and propagandist and Cotton the political activist. Cotton’s position as a union organiser gave him prominence in the early Labor party and he was elected to Parliament as one of its original members in 1891. Though he left the party in the first big split, he retained his parliamentary seat as a freetrader until 1901. Cotton was to live until 1942 and remained an active Georgist to the end.

At the time of the political flowering of Farrell and Cotton, around 1885-95, it was not clear exactly what the Georgist movement would become. Clearly it was an influence upon the labor and freetrade parties but it could still be an open question as to whether Georgism might itself constitute a definitive and strategic political grouping within the polity – what we would now call a political party, though we must resist the urge to apply terms out of order. But could Georgism have emerged as a party in its own right? There is some evidence that this was in the sight of the early activists. Thus in February 1887 the Land Nationalisation League became the Single Tax League and by April 1889 its 15 branches were an independent and active force in NSW politics”. Then in 1889 or 1890 Farrell argued to old Sir Henry Parkes – in an important letter for my argument, though one which has not been precisely dated – that “It would be politic and advantageous for the Freetrade party to realise that we are

both working towards the same end and we should work together . . . We – I speak of course for the Single Tax Party – do not expect Freetraders to come out and proclaim themselves in favour of our reform . . . but a Local Government Bill and a tax, . . . on land values . . . we may . . . expect.”

We might call this an approach consistent with a possibly emerging party, perhaps with a pressure or interest group. Even if Georgism had a limited claim to be a party, so too at that time did the other political forces that were coalescing around new poles.

In summary of the first decade, Georgism was everywhere evident as a political and social creed but it was not, or was not yet, a political party; and already perhaps the developments that were to rule out that possibility were gaining strength. Still, some real choices were almost certainly there, and they deserve further exploration.

2. THE PARTIES EMERGE 1890-1900

For our purposes, the principal fact of the decade leading up to federation was that the protectionist and freetrade parties did begin visibly to give way to a new nexus: of Labor versus anti-Labor. Georgism was an active force on both sides of the emerging politics. Here the visit of Henry George was important, though in ways that can be debated. One result of his tour was to identify Georgism in the popular mind with the freetrade doctrine, especially as it was manifested in NSW at the time, for George himself spent much time in attacking the NSW protectionists. Thus the link between freetrade and Georgism was greatly strengthened, as was of course already evident at the philosophical and policy level. Whether the identification of Georgism with a particular, emerging party in one colony was the correct tactical move at the time could perhaps be examined. At all events, Henry George did not see himself as a leader of a political party, and nor did others. Rather was he seen as a man of vision, as “the teacher” as he was called, but not as leading an alternative to both freetrade and protectionism. He was interpreted as being for freetraders against protectionists and thus was taken within the colonial terms of the debate; he was made local in a sense.

Whether or not that was a limiting strategy, politically speaking, we need to understand how quickly and deeply embedded Georgism became within the political parties of both left and right, to use a modern term. The link with the freetrade – later liberal party – was solidified through James Carruthers, the minister for education in the Parkes ministry of 1891, and later himself premier. As he wrote to Parkes on 19 April 1891: “As to Finance I hold . . . that we should put a tax upon the unimproved value of land and that tax should be sufficient to make up for the following items of revenue to be abolished viz, Stamp duties on trade documents such as promissory notes, receipts, policies of insurance, and transfer of land and other fees which are either impediments to trade or to enterprise.”

Georgism was thus active in the old freetrade party and Carruthers was later an important figure. In 1895 George Reid, Parkes' successor, made skillful use of Georgist ideas and rhetoric in marshalling support for a reforming land act which though it could not be called strictly a Georgist measure was yet some testimony to the force that the ideas of Henry George then commanded.

And many also coming into the emerging labor party continued to be guided by George. Here Frank Cotton had a great influence, when he was the decisive force behind the famous article of the first platform which called for the "recognition in our legislative enactments of the natural and inalienable right of the whole community to the land . . . by the taxation of the value, which accrued to land by the presence and needs of the community, irrespective of improvements effected by human exertion."

Bede Nairn, the historian most hostile to Georgist thinking, has written that the platform "could be interpreted as simply implying a tax on the unimproved value of land and not necessarily a single tax"; but this seems to miss the point that the measure was fought for and won as a specifically Georgist policy and was adopted as such. Debate on this item occupied a whole day! It is true that the plank was a crucial factor in dividing the Labor party soon after but the story of the "first Labor split" of December 1891 in NSW must be for another occasion.

By the middle of the 1890s, then, Georgist principles were well represented in two of the three major parties, and only the protectionists still continued to be both hostile to and uninfluenced by the Georgist approach. But by the turn of the century Australia was entering federation and Georgists had new problems of political action.

3. THE FIRST DECADE OF FEDERATION 1901-10

Not long after federation was achieved, it was apparent that political alignments were changed for the long term as, on the one side, a labor party had emerged; and on the other, the liberal and conservative parties were moving gradually or quickly (depending on the state) towards a fusion which eventually produced the liberal and later country or national parties much as we know them today. And the new federal electorates were large and hard to win by any but a large, organised group. Throughout the following century, up to our own time, Georgists were thus more likely to win local than state electorates or, most difficult of all, federal seats. There were Georgists at all levels of government but a clear Georgist identity, distinct from a party allegiance, became very difficult to achieve at the "higher" levels of the federal system. In brief, the parties which emerged in the 1890s were able to capture a hegemony in a federal system which they have maintained since.

Still the substantial achievements of Georgist politicians in this period should not be under-estimated. From 1901 the federal platform of the labor party had a plank calling for flat tax on unimproved value land,

watered down in 1905 with a so called progressive tax and then in 1908 by a 5000 pound exemption; the fact that the 1910 federal election was fought on the issue of land tax – and though a debased land tax with sliding exemptions – showed that the political fight was real.

When Labor won the election and implemented the tax it did not win unqualified Georgist approval but it did affect the pattern of land holding and shift the incidence of taxation. In 1912 and 1915 and later years attempts were made to insert the original plank of a flat rate on unimproved land values and Clyde Cameron has detailed how the fight continued through until the 1950s and 1960s, with Georgist opponents resorting to unscrupulous tactics when necessary.

At the state levels of the party, Georgist principles were strong, especially in South Australia, Western Australia and Victoria; in the last, unimproved revenue remained a central plank until 1909.

Within the conservative parties, New South Wales under the premiership of Carruthers in 1904-07 was especially important.

As Carruthers said, “He could tell them [the Georgists] that he still continued to support the body advocating that principle [the single tax] and he trusted to be able to continue to give his mite in the same direction”.

Indeed Carruthers is remembered for his local government reforms of 1906 which set the method of revenue raising for local government throughout Australia and which exists in large part today. But Carruthers' success was limited and he remained a pragmatic politician who would take the fight only so far:

“He lived in the realm of politics and there the hour had not yet come when they could expect the politician to bring into play the full force and effect of the single tax doctrine. The work of education had to go on, and all that a public man could do was to give effect to public opinion”.

4. 1910-20

In brief conclusion, it became increasingly the pattern of Georgist politics that individuals could be elected to parliamentary office but usually at the price of subsuming their Georgist principles within a party organised on other lines. Two notable examples were Sir Elliot Johnston, twice speaker of the House of Representatives, and Senator Jack Grant, a deputy leader of the Labor party, whose lives I have dealt with elsewhere. Like other Georgists they continued to have an influence on the policies of their respective parties. By the end of our period, it seems fair to say that they and others had kept open a Georgist space within which effective criticism of public policy did lead to certain achievements: an argued alternative to the existing economic and financial system, focussing especially on inequities in taxation; the introduction of the unimproved valuation system within local government; the planning and development of Canberra; and the maintenance generally of land taxation and site revenue as the basis

for an alternative paradigm of public policy. Much of this history remains to be written in detail.

It is said that in Britain some 80 per cent of democratic leaders around the turn of the century “passed through the school of Henry George”. By the early twentieth century it was becoming clear in Australia that many had indeed passed through and not stayed; but the possibilities of the early years still command attention, not least because those possibilities are still unfolding. We have seen that Georgism became confined within a party system which is, in world terms, relatively ancient. That might mean that today the party system is inflexible and out of date, or even that it is beginning to break down and enter another cycle of construction. The success over the last 20 years of so-called “minor” parties in upper houses and in the Senate might suggest that. Tonight we have concentrated on the past and have seen that the historical achievements of Georgism are highly significant. The historical record is still of course unfolding and it may be that some of the struggles of the past have lessons for the future.

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