

NEW LIFE IN OLD CITIES – SAN FRANCISCO

By Dr. Mason Gaffney, Redlands, CA

(The following section on San Francisco was excerpted from "New Life in Old Cities " Georgist Policies and Population Growth in New York City, San Francisco, Chicago, Cleveland, Toledo, Detroit, Milwaukee, Pittsburgh, and Other Cities, 1890-1930. Mason Gaffney, emended 10-22-062.

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<http://schalkenbach.org/product/new-life-in-old-cities/>)

Abstract. In the period 1890 to 1930, the Georgist movement inspired a large number of civic leaders—mayors, assessors, governors, congressmen and others—to implement Georgist policies in a number of US and Canadian cities. That is, in order to encourage development, they reduced or eliminated assessments on buildings and increased assessments on land. They used land revenues to provide low-cost, high-quality public services. Where implemented, these policies resulted in rapid population growth.

F. San Francisco

Many cities outside the northeast quadrant were implementing growth-oriented, George-like policies in this era. Here is a case study of one, San Francisco, to represent the genre.

Born-again San Francisco, 1907-30, makes an edifying case study in regenerative tax policy. Its calamity of 1906 wiped out most of the city. It had no State or Federal aids to speak of. The state of California had oil, but didn't even tax it, as all other states do. It did have private insurance, but so did and do other cities. It had no power to tax sales or incomes. It had no lock on Sierra water to sell its neighbors, as now; no finished Panama Canal, as now; no regional monopoly comparable to New Orleans' hold on the vast Mississippi Valley. Unlike rival Los Angeles (whose smog lay in the future) it had cold fog, cold-water beaches, no local fuel, nor semitropical farm products, nor easy mountain passes to the east. Its rail and shipping connections were inferior to the major rail and port and shipbuilding complex in rival Oakland, and even to inland Stockton's. It was hilly, more so than any other major American city; much of its flatter space was landfill, in jeopardy both to liquefaction of soil in another quake, and precarious titles subject to the public trust doctrine (Wilmar, 1999). Its great bridges were un-built—it was more island than peninsula. It was known for eccentricity, drunken sailors, tong wars, labor strife, racism, vice, vigilantism, and civic scandals. In its hinterland, mining was fading; irrigation barely beginning. Lumbering was far north around Eureka; wine around Napa; deciduous fruit around San Jose. Berkeley had the State University, Sacramento the Capitol. Palo Alto Stanford, Oakland and Alameda

the major U.S. Naval supply center.

Yet, after the quake and fire of 1906, San Francisco bounced back so fast its population grew by 22%, 1900-10, in the very wake of its destruction; it grew another 22%, 1910-20; and another 25%, 1920-30, remaining the 10th largest American city. It did this without expanding its land base, as rival Los Angeles did; and while providing wide parks and public spaces. Far from spreading out, it had to pull back from the treacherous filled-in level lands that had given way in the quake and over which the State was assuming greater control (a 1909 Statute prohibits the privatization of any tidelands or submerged lands anywhere in the State—Wilmar). On its hills and dales it housed, and linked with mass transit, a denser population than any city except the Manhattan Borough of New York. For a sense of its gradients, see the chase scenes from the films Bullitt or Trench Coat. It is these people and their good works that made San Francisco so famously livable, the cynosure of so many eyes, and gave it the massed economic power later to bridge the Bay and the Golden Gate, grab water from the High Sierra, finance the fabulous growth of intensive irrigated farming in the Central Valley, and become the financial, cultural, and tourism center of the Pacific coast.

How did a City with so few assets raise funds to repair its broken infrastructure and rise from its ashes? It had only the local property tax, and much of this tax base was burned to the ground. The answer is that it taxed the ground itself, raising money while also kindling a new kind of fire under landowners to get on with it, or get out of the way.

Historians have obsessed over the quake and fire, 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. George, Jr.'s bio of his dad calls Taylor the only one who vetted the entire MS. George's academic biographer, Charles Barker, credits Taylor with adding style and quality and ideas to the work. Barker and George's earlier academic biographer (Geiger) consider Taylor to have been the major single influence on George. Taylor's call for action appears on p.396, introducing "The Application of the Remedy". If you had helped and swayed the man writing Progress and Poverty, and composed its call for action, and then became reform Mayor of a razed city with nothing to tax but land value, what would you do?

Reams are in print about how Henry George was not elected Mayor of New York, but nothing about how his colleague E.R. Taylor WAS elected Mayor of San Francisco. (continued on page 7)

SAN FRANCISCO (from page 6)

While George was barnstorming New York City and the world as an outsider, Taylor stayed home and rose quietly to the top as an insider.

In 1907, single-tax was in the air. It was natural and easy to go along with Cleveland, Detroit, Toledo, Milwaukee, Chicago, Houston, San Diego, Edmonton, many smaller cities, and doubtless other big cities yet to be researched, that chose to tax buildings less and land more. Vancouver, above all, was a model and inspiration. Civic leaders seriously considered going further. "The Commonwealth Club (San Francisco) Reports for 1914 reflect that more time was devoted by the club to consideration of it (the single tax initiative) than any other, ... Again, as in 1912, much of the debate centered around the success of the tax policies of the British Columbia cities, ..." (Echols, 1967, p.59).

It was the Golden Age of American cities when they grew like fury, and also with grace: "The City Beautiful" was the motif, expressed in parks and expositions like San Francisco's 1915 Panama-Pacific International Exposition. The idea of city parks, recreational land for all the people, melded with the idea of national parks: San Francisco housed major leaders of the movement like Franklin Lane, John Muir, William Kent, and others .

Mayor Nagin of New Orleans today pleads that Katrina wiped out most of his tax base, so he is impotent. By contrast, in 1907 Mayor Taylor's Committee on Assessment, Revenue, and Taxation reported sanguinely that revenues were still adequate. How could that be? Because before the quake and fire razed the city, 75% of its real estate tax base was already land value (S.F. Municipal Reports, FY 1906 and 1907, p. 777). S.F. also taxed "personal" (movable) property, but it was much less than real estate, and "secured" by land. The coterminous County and School District used the same tax base. If we saw such a situation today we would say the local people had adopted most of Henry George's single tax program de facto, whether or not they said so publicly. San Francisco was the epicenter of Luke North's 1916 "Great Adventure" initiative campaign for a statewide single tax—a campaign that won 31% of the State's voters. (Large Landholdings, 1919; Miller, 1917, p.51; Geiger, 1933, p.433; Young, p.232). From 1912- 22, North and others qualified a single-tax initiative at every biennial election (Echols, 1979, passim). Even while "losing," such campaigns raised consciousness of the issue so that assessors were focusing more attention on land. Thus, in California, 1917, tax valuers focused on land value so much that it constituted 72% of the assessment roll for property taxation, statewide (Troy, 1917b, p.398)—a much higher fraction than today.

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. S.F. supplemented the property tax by levying special assessments on land values enhanced by public works like the Stockton Street and Twin Peaks Tunnels. Good fiscal policy did not turn all the knaves into saints, as Gray Brechin has documented in Imperial San Francisco. Rolph burned out after 1918 or so, and fell into bad company with venal bankers and imperialist engineers. But San Francisco still rose and thrived.

(Economics Professor Emeritus Dr. Mason Gaffney may be emailed at [<<m.gaffney@dslextereme](mailto:m.gaffney@dslextereme)) <<

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