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TOM L. JOHNSON*

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In 1901 the voters of Cleveland, Ohio, chose as their mayor a resourceful and unconventional man, newly retired from a successful business career, who was the best known American follower of Henry George. Tom L. Johnson remained in office for eight exciting and enlightening years. Born in 1854 into an aristocratic southern family which was impoverished during the Civil War, Johnson had to go to work while still a child. At twenty-two he was the successful inventor of the first coin fare box in use in the United States, and at twenty-five he was already a business rival of Mark Hanna. Converted to the single tax philosophy of Henry George at thirty, he was a steel manufacturer at thirty- five and had twice been elected to congress by the time he was forty. At fifty he had been hailed by Lincoln Steffens as the best mayor of the best governed city in America.[1]

Throughout his political career Johnson struck many as a mysterious and enigmatic figure. The reason for this was not that his political views were obscure, for he never straddled or avoided an issue, but that they seemed to contradict his business interests. The president of street railways, he advocated municipal ownership of public utilities. A steel manufacturer, he nevertheless favored free trade. In politics a vigorous opponent of monopoly, as a businessman Johnson used monopolistic practices to amass a large fortune. Such a quixotic figure, his enemies claimed, was surely a demagog. Johnson was never able to convince these critics of what his friends called his "larger morality." As a matter of fact, Johnson was not troubled by, nor interested in, questions of personal goodness or badness, and he felt no compulsion to make excuses for the manner in which he made his money. What he was primarily concerned with was the advancement of his political and social program. While a member of congress, Johnson expressed his attitude in a speech to the house of representatives: "As far as I am personally concerned I am a thorough-going monopolist, and would be willing, outside of this Hall, to take advantage of any of the bad laws that you put upon the statute books; but I will not defend them here."[2] The matter of Johnson's sincerity, however, ever remained a doubtful point to many of his contemporaries. They were simply unable to understand a man so emancipated that he did not feel obliged to defend his business practices.

But if Johnson and his views were inexplicable to some people, the charm of his personality was irresistible to others. Brand Whitlock, the literary mayor of Toledo, once wrote a short story about the crusading mayor of a large city. "Is there anything better in life than to know you have done a good thing and done it well?" someone asked the hero of Whitlock's story. "Yes, just one," the mayor replied, "To have a few friends who understand."[3] Johnson was fortunate in having a great many friends of that kind. As mayor he attracted a group of talented young men into the public service and communicated to them his own enthusiasm for civic activity. Several members of the group, notably Newton D. Baker, W. B. Colver, and Frederic C. Howe, subsequently held important posts in the Wilson admin istration.[4] In later years nearly all of Johnson's associates recalled their service with him as the most significant experience of their lives. "The crusade of my youth," wrote Frederic C. Howe in *Confessions of a Reformer,* "the greatest adventure of my life, as great a training school as a man could pass through--this the decade of struggle in Cleveland from 1901 to 1910 was to me."5

Tom L. Johnson

Discovering Henry George was the crucial event in Johnson's life. One day in 1883 a news vendor on a train sold the young businessman a copy of George's *Social Problems.* After reading it, Johnson bought a copy of *Progress and Poverty*. Disturbed by what he read and hoping that there were fallacies in George's reasoning which he had not been able to discover, John- son gave *Progress and Poverty* to his lawyer and asked him to point out the errors in the author's logic. Unconvinced by the attorney's objections, Johnson declared himself a convert to the Georgian economics. Johnson may not have been an original thinker, but, as one of his admirers pointed out many years later, he accepted new ideas as readily as most men hold on to old ones.[6]

At his earliest opportunity Johnson went to Brooklyn to meet George. It was George's influence which induced Johnson to accept the Democratic nomination for congressman from a Cleve- land district in 1888. Up to this time Johnson had been so pre-occupied with business that he had never bothered to vote. Defeated in his first attempt, he was elected on the Democratic ticket in 1890 and again in 1892. Shortly after leaving the house of representatives in 1895, Johnson began gradually to divest himself of both his transportation and steel interests. By 1901 his retirement from business was complete. From then until his death ten years later he devoted his energies almost exclusively to politics. The major part of Johnson's four terms as mayor were consumed in an almost epic struggle with the street railway companies of Cleveland. Some aspects of the conflict are still very pertinent, for the basic issue involved was a constant in American history: the delicate adjustment between public rights and private economic interests. Johnson's slogan in his campaigns was "Three Cent Fares and Universal Transfers," but both his supporters and opponents realized that the dispute involved something deeper than rates of fare or conditions of service on streetcars. The stake was public control of utilities. If Johnson succeeded in bringing street railways under public control, it was a foregone conclusion that gas and electric and telephone companies would be attacked next. If Cleveland were successful, other cities would be encouraged to take up the fight. And if Cleveland were defeated, the cause of public control of utilities would be discredited in other cities throughout the nation.

"You are going to settle our street railway problems for all of us," was the word of encouragement sent to Johnson by the chief executive of a neighboring city.[7] But the outcome of the struggle was still undecided when Johnson left office in 1909. Not until a year later, and then against Johnson's opposition, was a compromise settlement adopted. From the beginning, Johnson contended that municipal ownership was the only ultimate solution to the street railway problem.[8] He looked forward to the day when streetcars would run free of charge, "like elevators in buildings," with the cost of operation derived from taxation. He insisted that he was not an enemy of private property but that his fight was waged to help the public regain public property which had been appropriated by private individuals. When Johnson took office, street railway franchises granted to private companies about twenty-five years earlier were be- ginning to expire. The laws of Ohio prohibited municipalities from owning utilities such as street railways, and state courts had in- validated attempts by city councils to regulate rates by ordinances.

Unable to induce the existing companies voluntarily to accept lower fares and the degree of municipal supervision they believed essential, Johnson and the city council refused to renew the expiring franchises. Instead they issued new grants to competing companies which were pledged by the terms of their franchises to provide transportation at low fares and to accept regulation of service by the city.[9]

In an attempt to prevent these new franchises from going into effect, the mayor's opponents secured almost sixty injunctions against the city. Early in the fight they secured a court order revoking the charter of Cleveland. Once Johnson was arraigned for contempt of court. Yet despite all the obstacles put in their way, the new lines steadily increased. Fear that all of its franchises would eventually pass to these three-cent lines, at last led the old company (the several old lines having consolidated in order to present a united front against Johnson) to seek a settlement with the city. This was in 1907, six years after the contest had begun.

The agreement Johnson and representatives of the old company negotiated in the winter of 1907-8, provided for the merging of all street railway companies in the city into a new concern known as the Cleveland Railway Company, to which the city awarded a rather liberal franchise. All of the property and equipment of the Cleveland Railway Company was then immediately leased to another company, which was to operate the street railway system of the city and pay the stockholders of the Cleveland Railway Company six percent interest on the agreed valuation of the system. The lessor consisted only of a six-man board of directors which owned all of the $10,000 worth of stock of the concern. The directors received salaries and were self-perpetuating but had no financial interest in the Cleveland Railway Company. They were supposed to use any surplus which might accrue, after operating costs and interest charges had been met, for extending and improving the street railway system. Johnson regarded the board of directors of the lessor company as unofficial public trustees. Their interest, he said, was not profit, but good service, economical operations, and low fares. He believed that through them the city could enjoy the substance of municipal ownership until the time when state laws made public ownership legally possible.

Unfortunately, from Johnson's point of view, this settlement was very short-lived. In October 1908, in a bitterly contested referendum, the voters of the city rejected the franchise which underlay the whole structure. Two years later, against

Johnson's opposition and after he had been defeated for reelection to his fifth term, the city and the street railway company agreed upon new settlement known as the Tayler plan. With several later amendments this agreement remained in effect until the city purchased the street railway system about thirty years later.

For its day, the Tayler plan was an enlightened proposal, assuring streetcar riders service at cost, with cost to include a six percent return to the stockholders on their investment. The chief difference between it and Johnson's plan of several years earlier was that the Tayler plan abolished the lessor company and returned control of operations to the Cleveland Railway Company. Johnson succeeded in having a number of important provisions written into the Tayler plan, but he regarded it as a defeat for the cause of public control of utilities. He and the supporters of the Tayler plan had radically different ideas regarding what constituted a legitimate private interest. The latter thought of the money made by a streetcar company primarily as a return on the private capital invested in the company. They believed that this private interest must be protected and that the best way to accomplish that end was to leave the management of the company to the investors and their officers. Johnson, on the other hand, believed that the profits obtained from street railway operation were fundamentally publicly created, for their source was the social necessity of transportation. Consequently he insisted that the emphasis in any utility settlement should be on the assertion of public rights, not on the protection of the private privilege of exploiting socially created wealth. He could have no attitude other than outspoken opposition to a plan, which, as he saw it, left control of the policies of the utility company to men whose chief interest was private profit. Another phase of what Johnson called his fight against privi- lege was his attempt to equalize the burden of taxation in Cleve- land. He always insisted that taxation was a human, rather than a purely fiscal, problem. "Farms, buildings, personal property, land pay no taxes," he wrote. "It is men and women who are taxed and not things."[10] In his autobiography he defined taxation as "the rule by which burdens are distributed among individuals and corporations" and asserted that the control of the machinery charged with assigning the distribution was a powerful agency of class rule.[11] One of his favorite observations was that there is no privilege equal to that of having somebody else pay your taxes. As a follower of Henry George, Johnson looked upon taxation as a weapon of social readjustment. He sincerely believed that George had pointed the way to the destruction of monopoly and the revival of economic opportunity. But since Ohio's tax laws made it impossible to apply the single-tax remedy, Johnson never had an opportunity to put his theories of taxation into full operation. In practice, his work in this field was directed toward two ends: the taxation of railroad and public utility property on the same basis as other urban real estate; and the reappraisal of all property at its market value.[12]

The constitution of Ohio provided that all property should be assessed at its "true value in money." Actually, when Johnson took office in 1901, ordinary real estate was usually appraised for tax purposes at about sixty percent of its current value. The railroad and utility companies, however, had won the privilege of having their properties assessed at a much lower figure, ordinarily only about twenty percent of value. Franchises, the largest item in the valuation of a public utility, were not taxed at all. In July 1901, Johnson's appointees to the local board charged with correcting those inequalities in assessments which came to light be- tween the decennial appraisements, startled the city by increasing the tax valuation of the Cleveland gas, electricity, and street railway companies by twenty million dollars. Meanwhile Johnson was appearing before the county auditors who were making their regular yearly assessment of railroad property. Although Johnson presented evidence of the striking under-appraisement of some railroad lands, the county auditors disregarded his testimony, accepted the returns filed with them by the railroad companies, and set the properties down on the tax books at the usual low figures.

Johnson then took his case to the state tax review board. Not entirely to his surprise, he received no assistance from this quarter: the state board of equalization refused to act on the rail- road case; the state supreme court declined to issue a writ compelling the board to review the railroad assessments; and the state legislature rejected proposals for corrective legislation. But at the same time that these agencies were refusing to help the city increase the assessments of the railroads, they were proving them- selves willing allies of the public utility corporations whose valuations had been raised by the Cleveland board. First, a board of tax revision, consisting of high state officials, remitted the entire twenty million dollars of increased assessments. Then, as if to prevent a recurrence of such an impertinent increase in appraisal in the future, the state legislature passed an act supplanting the local boards, whose members were appointed by the mayor, with county boards, paid from county funds, but composed of appointees of state officials.

Johnson's first efforts to obtain revenue by taxing utilities and railroads at the same rate as homes and ordinary business property thus failed because of the hostility of men who con- trolled the state tax machinery. Further tax reform had to wait until the friends of the Johnson movement were more powerful in the government of Ohio. To hasten the coming of that day Johnson early branched out into state politics. Though never himself elected to state office, he was in control of the state Democratic party organization for several years and dominated the Cuyahoga County party organization throughout his four terms as mayor. As a kind of political boss, he was in a position to foster the candidacy of men who shared his approach to public problems. The growing number of his followers who eventually obtained seats in the state legislature provided the leadership of that body when it at last passed under the control of the Democrats.

The first fruits of Johnson's agitation for tax reform came in 1909 with the passage of an act partially carrying out the recommendations of a special tax commission which had been appointed several years earlier to study and suggest improvements in Ohio's system of taxation. The act reduced the interval between the periodic appraisals from ten to four years. It provided for the election of the board of appraisers on nonpartisan ballots and authorized them to publicize and distribute their findings to the taxpayers of the community.

At the November elections in 1909 Johnson was himself defeated for reelection, but the majority of tax appraisers selected to undertake the first assessment under the new system were men known to support his tax policy. They conducted their appraisal on the principle that all property should be assessed at its full market value and that, in determining value, more atten tion should be paid to the worth of the land site than to the improvements on the property. When they completed their work, they had raised the total assessment of all property in the city from less than 200 million dollars to 500 million. They increased the valuation on some parcels from three to ten times. The results of the appraisement were published in pamphlets showing the tax valuation of each piece of land in the city by street and number. Evidently the public was satisfied that a fair appraisal had been made, for there were fewer appeals from the assessment of this board than there had been following earlier appraisements.

A stirring and daring campaigner, Johnson brought many innovations to Ohio politics. One of the first candidates for office ever to appear in a newsreel, he was also a pioneer in campaigning by automobile. Many of his political appearances were made in a circus tent. He liked the informal atmosphere engendered by the big top and found the tent a convenient and portable auditorium for carrying his ideas to the people. In an age of flowery political oratory, Johnson adhered to a conversational manner and was most effective in the question and answer periods which concluded all of his tent meetings. Though a hard and resourceful fighter and himself subjected to unbelievably bitter personal abuse, Johnson avoided personal attacks on his opponents, it was his conviction that his enemy was bad conditions, not bad men.

A Democrat, and even something of a local boss, Johnson was not a strict party man. He ranked loyalty to issues far more important than allegiance to party. He put a number of nominal Republicans in important positions in his administration and once undertook a purge of some Democratic members of the state legislature whom he considered reactionary. One of his most salutary influences on local politics was his insistence that the election of municipal officials turn upon bona fide local issues. He never allowed his city to become a mere adjunct of a state or national political machine, and he stirred up so much interest in home-town transportation and tax problems that, during his four terms, it was impossible for candidates to wage a successful local campaign on extraneous issues like the tariff, free silver, or imperialism.[13]

There is evidence that in attempting to defeat Johnson's program the groups which were opposed to him occasionally employed violence and bribery. Much more frequently they relied on ruses calculated to confuse or distract the voters, such as appeals to party loyalty, agitation of the moral issue, or threats of the dire consequences which would inevitably follow the disturbance of "business confidence." No method, however, was more frequently used to impede the progress of the Johnson movement than litigation. Some of Johnson's followers were of the opinion that the conservatism of the legal profession, combined with the fact that many judges owed their elevation to the bench to busi- ness groups, gave the railroads and utility interests a definite advantage in court battles. A study of the history of liberal or radical movements such as the one Johnson headed leads to the conclusion, however, that winning lawsuits may not be the only, or even the principal objective contemplated by those who appeal to the courts. Even though the final court decision may be un- favorable, litigation brings delay, uncertainty, and expense--all factors of benefit to those who seek to prevent public interference with a private monopoly.

A lawsuit growing out of Cleveland's efforts to oust several railroad companies from some valuable lakefront land illustrates the value of the law's delays. In 1840 city officials sold a number of railroad companies a strip of land about one hundred and fifty feet wide on the lakeshore. In 1893 the city began a suit to oust the railroads (i.e., to claim title for itself) from several hundred feet of "made" land, the accretions to the strip the companies had purchased. The railroads had appropriated this land, and their yards and station had been built upon it. Johnson estimated that by 1900 the land in dispute was worth from fifteen to twenty million dollars. His first service to Cleveland, as mayor, was to prevent the execution of an out-of-court settlement by which the city would have conveyed the land to the railroad companies without compensation. After years of delay, during which one judge held the case before him, without decision, for twelve years, the case finally was appealed to the United States Supreme Court. In November 1914, twenty-one years after the suit was begun, the court ruled in favor of the city.[14] The decision represented a victory for the city, to be sure, but during all the years of delay in settling the question the railroads had been enabled to use the land without having to pay rent.

In the street railway controversy the injunction was the legal device most often used to combat Johnson's program. The old company appears to have followed a policy of dividing each of its causes of action into the smallest possible fraction and then of beginning a suit on each technicality. In this way, fifty-eight delay-producing injunctions were issued against the city and the low-fare companies. No matter what the final disposition of a case, the streetcar company's attorneys could usually wangle a temporary restraining order from the lower courts. This continual litigation was expensive to the company of course, but it was less expensive than surrendering its monopoly without a fight. The injunctions delayed the building of the three-cent line, thus pro- longing the time when the old company could charge high fares. If one of the purposes of the litigation was to wear down the public enthusiasm for a municipally controlled street railway system, it was partly successful. After nine years of struggle the people were more willing to accept a compromise leaving the management of the streetcar system in the hands of the old company than to continue a fight which threatened to go on indefinitely.

Johnson was active in Cleveland at approximately the same time that leaders in a number of other American cities were striving to purify municipal politics and to improve the administration of local affairs. Johnson, however, was not a typical municipal reformer. His aim was not primarily to expose grafters and bribetakers, and he had only a subordinate interest in revising his city's charter. Actually what he was attempting was to effect far-reaching changes in the economic bases of urban society. He and his supporters proposed to accomplish their objective by the destruction of a condition they called "privilege." As a follower of Henry George, Johnson used the word privilege to indicate a method of obtaining wealth either through the control of resources and facilities whose values were socially derived or by the private enjoyment of law-made economic ad- vantages. He identified privilege both with monopolies fostered by private ownership or control of land, mineral deposits, transportation systems, communication lines, and electric power services and also with the type of monopolies sheltered by such political spoils as franchises, protective tariffs, and tax exemptions. He felt impelled to destroy privilege because he was convinced that the monopolistic control of the basic material requirements of everyday life by private interests was bound to produce disastrous economic and political consequences. He believed that the struggle for private monopolies tended to corrupt politics and also had the effect of removing actual political sovereignty from the mass of men and of vesting it in the hands of a small group of privilege holders or seekers. He believed that the existence of privilege constituted a burden on the economic life of the nation be- cause the private control of natural resources and essential services curtailed opportunities for economic expansion, thus producing unemployment and poverty.

The movement which Johnson led was one of those local experiments in a democratic revolt against plutocracy which, taken together, comprise the larger whole we call the Progressive movement. Johnson's fight against urban utility interests may be likened somewhat to the battle against the trusts which was occurring simultaneously on the national scene. Many of the ideas he espoused had found earlier expression in such manifestations of economic radicalism as the Greenback, Granger, and Populist movements. But Johnson owes his significance less to his connection with the past than to his import for the future. Leaders like Johnson shifted the center of radical activity from the agrarian to the urban frontier. Previously the city had been regarded almost universally as the problem of American democracy. Johnson and some of his contemporaries like Golden Rule Jones, Brand Whitlock, and Frederic C. Howe showed that the city might well be, not the problem, but the hope of democracy. His career furnishes evidence of the American liberal's growing interest in social instead of strictly individual rights. He was a harbinger of the liberals who were to demand the expansion of governmental activity into new fields, in contrast to earlier radicals' insistence upon curbing the power of the state. Johnson accompanied his emphasis on the extension of governmental activities with a vigorous agitation for the adoption of measures to strengthen popular control of government. Thus Johnson illustrates the growing tendency of Americans to supplant their traditional fear of government with the belief that the state is the common man's best friend. As plainly as any other American political leader of the last half century Johnson voiced an economic interpretation of politics. And, especially in these days, it is worth emphasizing that this economic interpretation was a home-grown variety, arising from observation and study of American conditions, not from adherence to Marxian theory.

NOTES AND REFERENCES

.1 Lincoln Steffens, "Ohio: A Tale of Two Cities," *McClure's Magazine,* XXV (1905), 293-311.

2 Congressional Record, 53 cong., 2 sess., 641, January 10, 1894.

3 Brand Whitlock, "The Gold Brick," *American Magazine,* LXVII (1908-9), 42-51.

4 Baker was secretary of war, Colver was chairman of the federal trade com- mission, and Howe was commissioner of immigration for the port of New York.

5 Frederic C. Howe, *Confessions of a Reformer* (New York, 1925), 115.

6 Ibid., 129

7 Brand Whitlock to Johnson, November 19, 1907, in *The Letters and Journal of Brand Whitlock,* ed. by Allan Nevins (2 vols., New York, 1936), I, 84.

8 Tom L. Johnson, *My Story* (New York, 1911), 25-27.

9 For details of the street railway controversy in Cleveland see Bremner, Civic Revival in Ohio, 167-209.

10 Johnson, *My Story,* 131

11 *Ibid.,* 130-131.

12 For details of Johnson's work in the field of taxation see Bremner, Civic Revival in Ohio, 210-234.

13 For a discussion of Johnson's campaign methods see Bremner, Civic Revival in Ohio, 310-334

14 *Cleveland and Pittsburgh Railroad Company v. City of Cleveland, Ohio,* 235 U. S. 50. For a history of the case see *Cleveland Plain Dealer,* November 17, 1914.