

Chicago's Growth Spurt, 1890-1900

Mason Gaffney, Working Paper

Chicago grew by 54%, 1890-1900. This is complicated by annexation (Hoyt, p.153), but is still a notable spurt, even in that decade of urban growth elsewhere. Chicago did not just spread out, it pioneered the skyscraper, and centralized its transit system as few other cities ever did.

Many signs point to a single-tax trend in Chicago during this period. Chicago lawyer John Peter Altgeld, humanitarian and reformer, was governor of Illinois, 1892-1896. His administration contained several single-taxers, including young Brand Whitlock, future mayor of Toledo, whom Altgeld inspired (Bremner, pp.57-58). Altgeld directly corresponded and worked with Henry George, and, according to Whitlock, "understood" George's ideas like few others (Barker, pp. 594, 607, 609).

In Chicago, unlike Detroit, rails paid property taxes. A tribute came from the rival state of Michigan: "... if there could be an illustration stronger than any other of prosperity built upon proper rules—that example is Chicago." (Statement by Don M. Dickinson, a lawyer serving pro bono, representing Detroit Council at Michigan Legislature, 1891, cited in Pingree, 1895.)

In 1892 Chicago won its leading case, *I.C.R.R. v. Illinois* (146 U.S. 387), invoking the "public trust doctrine" to revoke the railroad corporation's claim to lands that now comprise Chicago's lakefront park system. This was nicely synchronized with its Columbian Exposition, an impressive display of civic spirit.

It was under Governor Altgeld that the Illinois Bureau of Labor Statistics, under George Schilling, published its famous *8th Annual Report*, 1894, including comprehensive Lorenz-Curve data on the concentration of landownership in the Loop of Chicago. There is no comparable study, to my knowledge, of any other American city. It is most likely that such radicalism in Springfield had its effect locally in Chicago. Schilling was a Chicago labor leader, known to Altgeld.

Chicago was a national center of radical thought and activity in this age of Clarence Darrow, Henry D. Lloyd, Jane Addams, Mayor Edward F. Dunne, Julia Lathrop, Daniel Burnham, Frank Lloyd Wright, Ida Tarbell, Edgar Lee Masters, Alexander Stuart Bradley and the anti-Monopoly League, John Dewey, Margaret Haley, Thorstein Veblen, Edward Bemis, Louis F. Post and his Georgist journal (*The Public*), Gene Debs, Warren Worth Bailey, Vachel Lindsay, the young Carl Sandburg, Florence Kelley, et al.

Chicago in the 1890s pioneered the skyscraper. Such substitution of capital for land suggests a de facto policy of targeting property tax assessments more on land, less on buildings. Louis Sullivan, Frank Lloyd Wright, and many in the Chicago school of architects favored downtaxing buildings, if only from self-interest. At the same time, Chicago did not develop its highly centralized mass transit system without taxing real estate to permit of low fares, as did Tom Johnson in Cleveland. A city that taxes real estate without overtaxing buildings must be taxing land values.

Chicago's consciousness of land values is shown by its being the only city to have anything like George C. Olcott's annual *Blue Book of Land Values*—Olcott also being a supporter of the Chicago Single Tax Club, and the author of "Chicago's Amazing Growth." Chicago inspired Homer Hoyt's classic *One Hundred Years of Land Values in Chicago*. Chicagoan Richard Babcock's classic *Valuation of Real Estate* shows a strong Purdy influence.

John Peter Altgeld, returning to Chicago after 1896, became active in city politics. Mayor Edward F. Dunne, an Altgeld ally, later governor of Illinois, had strong single-tax leanings, and brought in Tom Johnson from Cleveland as an adviser. Later Mayor William Dever was Dunne's protégé. Even the corrupt William Thompson, Dever's nemesis, was growth-oriented and "open to suggestion." That does not fully add up, however, to a definitive showing that a city administration consciously shifted taxes to land values, as in Toledo, Cleveland, New York, Detroit, and Milwaukee. More research into Chicago's political history is needed.