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# Fairhope—Hope of the Future

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ON a high bluff overlooking beautiful Mobile Bay, popularized in song, story, and travel brochures, lies one of the strangest communities in the world. Here 1,500 people own 4,000 acres of land—and yet none of them owns any of it. Here revenue is raised but without taxation. Here men earn what they keep and keep what they earn. Here the land speculator is a dead duck. A man may build a house but he doesn't spend his winters in California and his summers in Wisconsin waiting for a rise in value so he can profit by selling it. When he sells the building, he will sell it at cost—or else! (The “or else” will become clear as the story unfolds.) All this is happening in a city of dizzy paradoxes—Fairhope, Alabama.

Fifty years ago, in January of 1895, a score of people trudged up the bluffs to what is now Fairhope, in a venture that was to make social history. They came from states as widely separated as Iowa, Pennsylvania, and California. They brought with them an ideal of economic equality and \$771 in cash. Purchasing 135 acres of land, they established the village that was later to become the Fairhope Corporation.

“Oh,” you say, “another socialistic experiment?” No, not at all!

These pioneers held a theory that “the earth is the Lord's” and that the

*A city where civic officials have no financial worries and the citizens pay no taxes*

Creator intended all His children should have equal opportunity to till this good earth. They believed with equal conviction that, while it was intended man should earn his bread by the sweat of his brow, he had every right to keep that bread after he earned it.

These “visionaries” also promulgated this upsetting idea: Since the Creator intended that all His children should have equal access to land, why should one man have to pay a profit to another when purchasing a vacant lot or an unimproved farm? Furthermore, they presented a disturbing argument that ran something like this. We fine a man *once* for committing a burglary. If a man builds a house, we fine him *once a year as long as the house stands*, and we renew the fine against subsequent owners. We call it a “tax,” but a change of words neither alters the economic effect nor minimizes the penalty. According to the Fairhoppers, tax practices outside Fairhope make it a greater offense to build a house than it is to commit a burglary.

BUT to take the story out of the abstract, let's get down to bread and butter. Is winning bread for the family harder or easier in Fairhope or in out-

side territories? That question is important and can be answered like this:

Any person—he need not be a member of the Fairhope Corporation—may apply for a plot of ground. Bidding is resorted to only when several people want the same piece of land at the same time. If he is successful, he secures a lease for ninety-nine years. Title for the land does not reside in him; it remains forever in the Corporation. He will pay rental according to the value of the location, its topography, and the fertility of the ground. He pays no taxes. Taxes due state, county, school and other governmental bodies are paid by the Corporation out of the funds created by the collection of rents. A tax on land values only does the trick—and there is no need for a tax that penalizes a man for his productivity.

Who decides what the rent shall be? The Executive Council elected in the democratic way by the members of the colony! They are men of long experience in this work and can therefore make very accurate estimates of proper rental values. Metropolitan readers will immediately ask, "How do they keep 'em honest?" First, only men of strong belief in this new way of life become members of the Corporation. Second, their Constitution, adopted in 1913, has teeth in it. For example: "Upon petition of 10 per cent of the qualified membership, any act of the Executive Council, legislative or administrative, or any measure proposed by the petitioners, shall be submitted to the vote of that

membership at the time set in said petition. . . ."

And listen to this: "Upon petition of 20 per cent of the membership entitled to vote upon the election of officers, the question of dismissal of any officer, however elected or appointed, must be submitted to a popular vote."

Wondering about private franchises, and how they do it in Fairhope? Quoting again from the Constitution of the Corporation:

"No private franchise for the supplying of its members with such necessities as water, light, heat, power, transportation facilities, irrigation systems, etc., shall ever be granted by the Corporation, but it shall, as soon as practicable, erect and maintain the necessary plants, and perform such services, converting all revenue therefrom into the general treasury of the Corporation."

Here another quote from the same source is apropos: "No bonds or mortgages or interest-bearing indebtedness of any kind shall ever be given or assumed by the Corporation."

It sounds good—almost too good to be true! But how well has the idea worked out in practice? What happened in Fairhope?

C. A. Gaston, son of E. B. Gaston, one of the founders, can speak authoritatively on this question. He is the present secretary of the Corporation, its only full-time employee, and he has this to say: "By 1910 the Corporation owned 4,000 acres of land. The additional land was purchased through the sale of new membership certificates at \$100 each, and by profits from

property management, such as timber tracts. All of the rent income not needed for expenses of operation and taxes (state and county) has been expended for public improvements and public services." They were achieving the noble purpose prefacing their Constitution: "To establish and conduct a social community or colony free from all forms of private monopoly, and to secure to its members therein equality of opportunity, the full reward of individual efforts, and the benefits of cooperation in matters of general concern."

BUT THERE were many discouragements. Neighboring cities grew envious when Fairhope became the fastest growing community in Baldwin County. Outside land speculators, always alert to take any possible advantage of such developments, purchased large areas of adjoining land. But nine settlers out of ten didn't buy the speculators' holdings; they preferred the colony lands to private lands, and the speculators went into high dudgeon.

In spite of some unforeseen difficulties, Fairhope prospered from the beginning. You cannot now rent agricultural land in the colony—it's all under lease. You would have to wait until the Corporation purchases its next tract of land. This is in prospect, and assurance of its final accomplishment comes from the fact that city operations each year earn surpluses—surpluses which burgeon up from the soil as faithfully and as regularly as water in a natural spring.

Strangely, the colony comprises only

20 per cent of the land within the corporate limits of Fairhope, yet 80 per cent of the population of the city chooses to live on colony rather than on private land. The same ratio holds for the value of improvements on the two types of land—the people have seen fit to put 80 per cent of all improvements on colony lands.

Fairhope is now the largest town in Baldwin County, having a population of almost 4,000, with a large transient influx due to the fact that the city is both a summer and a winter resort. Many religious, fraternal and club organizations are represented. The town has the usual stores, a brick and tile plant, a 19,000-volume library, recreation facilities, municipally owned waterworks and electric light plant, and one of the two banks in Baldwin County which did not close its doors during the bank failures of 1932.

The most valuable block of land in Fairhope, approximately two and one-half acres, which originally cost \$5.71 an acre, in 1944 paid a rental of \$3,212.04—which means that theoretically it would have a sale value of about \$32,000. This increase in value is due entirely to the growth of the community—and that is why the Corporation collects the full ground rentals from all colony land for support of the city government. However, the collection of rents by owners of homes, stores or other improvements is not interfered with. In Fairhope there is no such thing as a municipal, county, or state tax either on personal property or on stores, stocks of mer-

chandise, homes or farm improvements, livestock or equipment.

For these reasons there is every inducement to build, and the cost of building is low in comparison with costs in other towns and districts. First of all, the site on which a building is to be erected does not have to be purchased—it is merely rented. Moreover, the prices of building ma-

terials are not inflated by taxes, as is always the case in other areas.

After fifty years, Fairhope, Alabama, a model city, continues to prosper. Its success gives impetus to the earnest hope of people all over America—that they can enjoy the advantages of living in a *modern and prosperous community* and still retain in full the fruits of their labors.



## Musical Scores Radiophoted

» THE FIRST part of Dmitri Shostakovich's latest musical score—a composition for piano, violin and cello entitled *Trio*—has been flashed to New York directly from Moscow by radiophoto over the circuit of RCA Communications, Inc., prior to its American premiere. Hurdling wartime communication obstacles, the transmission is the first of its kind involving a major musical work and presages the speeding of compositions by the world's great musicians from one continent to another by radio-photo as soon as completed.

IN ACTUAL transmission time, it took twenty-four minutes for the first page of the latest score to come from Moscow over the RCA receiving radiophoto machine. To facilitate handling, the photograph of the composition was sent in four sections of six by eight inches each, and these were cut into a mosaic of standard musical page size for the positive print. The microfilm air-mail transit of the Leningrad Symphony took nearly three days, and musical scores carried by ordinary mail often require several weeks to travel that distance.

Radio-Craft



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Charles E. Wilson, President, General Electric Company