

# Single Tax

BY JOHN R. CHADWICK

**FELLOW IN A Broadway hit several years ago titillated audiences tremendously during his conversation with one of Uncle Sam's tax collectors.**

He told the tax man he didn't pay taxes because he didn't believe in them.

Audiences roared at the vicarious thrill the line gave them. But wasn't it ridiculous? I don't believe in taxes.

Is it, though?

There are some folks right down on Alabama's Southern doorstep who don't believe in taxes as you know and pay them. And they've been standing pat on their opinion for 60 years.

High on a bluff above the eastern shore of Mobile Bay is a small clearing in the forest of present day taxes.

The "clearing" is known as the Fairhope Single Tax Colony, a corporation of individual leaseholders of colony land.

The Fairhope Colony is the largest such enterprise in the world with the possible exception of a single tax operation in Canberra, Australia. The Canberra plan is projected on a municipal basis.

A single tax colony group has existed in Delaware for many years but has, by design, progressed little beyond a semi-rural stage. It is principally a Summer community.

**ALTHOUGH** the colony it self occupies but one-fifth of the land in the city of Fairhope, its impact upon the economic, civic and cultural life of the community has been in far greater proportion.

In 1895, the Fairhope Colony came into existence through the mutual determination of five men in Des Moines, Iowa, to put into practice the single tax views of Henry George, American economist and patron saint of the single tax theory.

With only \$1000 in their fund, the five men came to the area that is now Fairhope and bought about 135 acres of rather poor land for \$771. Good land wasn't available, for old, established communities on both sides of the site commanded a much higher price than they could afford.

Although the Fairhope colony began on poor land, little if any of it tillable, the more prosperous communities on either side have reverted

through the years to the status of Summer colonies. In the meanwhile, Fairhope has grown.

**FOUR OF THE** original five of the Des Moines group remained in Fairhope to put the single tax view into practice. They were James Bel langee, S. S. Mann, James P. Hunnel and Ernest B. Gaston, who were joined later by settlers from Iowa, Ohio, Pennsylvania, Missouri, Minnesota, and the Pacific Coast.

The Henry George view of the single tax they were putting to work, in its simplest form, is: Land should be free to all individuals who would make use of it for themselves; the practice of absentee landlordism and land speculation for profit is not only a drag upon the economic body, but also is in defiance of the original land and liberty concepts of democracy; the only just charge for the use of land should be in the form of economic ground rent, the income from which to be expended for the community's common good.

Economic ground rent, when put to practical application under the single tax system, is determined generally on the basis of to what use the land is devoted; the popular demand for similar land, and sometimes the additional factor of what deeded, or privately owned land in the same area, is valued.

An undeveloped piece of land, thereby, might command only half the annual rent another plot of ground of the same size with a paved road or street and utilities adjacent.

You may lease and pay rent on single tax land all your life, and your heirs may do the same after you. But you may never sell the land, for the land belongs to the colony. You may build a home or a business or cultivate a farm on your leasehold and sell any of these. But never the land. The land is free except for the rent you pay, and you in turn have the major voice in what that rent will be by the use you make of your leasehold.

**TODAY, THE FAIRHOPE** Colony holds title to approximately 4000 acres of land in Fairhope and Baldwin County, acquired from time to time by purchase and a gift of 2000 acres from Joseph Fels, an early settler.

In exchange for rent, the Colony pays its lessees' city, county and state taxes on the property they lease and the improvements they make on the leased land. Although not in the original lease drawn by the first colonists, the Colony now also pays its lessees' ad valorem taxes on their cars and trucks and pays their poll taxes.

The lessee may pay his own taxes each year and deduct them from his annual rent, or may arrange for the Colony to pay them for him.

To become a leaseholder of Colony land, an individual makes application for land plus the payment of a portion of his first year's rent. If found acceptable by Colony officers and Colony by-laws are not stringent—the applicant is given a 99-year lease on the land. The lease passes automatically to the lessees' heirs, and is renewable.

**IF THE APPLICANT** wishes to acquire a lease on land already under lease to another person, and on which improvements such as a home or building exist, then both parties submit the proposed purchase of the improvements to the Colony. If Colony officers deem the proposed purchase price excessive and speculative, they may refuse to approve the lease transfer. Colony by-laws provide for an appeal from such a decision to an impartial committee. Whatever the committee rules is final.

In that fashion, the Colony holds a check rein on the cardinal sin against the single tax view—land speculation for profit.

The land, single taxers say, creates its own value by what use you make of it. If you improve your land, then the land commands more rent, and the increased rent is applied to the betterment of the Colony as a whole.

**SOCIALISTIC?** Hardly, answers Dr. C. A. Gaston, son of one of the Colony founders, and secretary of the Colony, as was his father before him.

Mild, scholarly, Dr. Gaston, one of the few died-in-the-wool single taxers in Fairhope, offers a rather strong answer to the word "Socialism" with excerpts from his 1954 annual report on the Colony.

While occupying only one-

fifth of the land in the corporate limits of Fairhope, Colony land and improvements were assessed 59.72 per cent of the entire assessments in the city. Colony land amounts to about 1/260 of the Baldwin County land area. Colony land assessments amount to approximately 1/16 of all Baldwin County assessments, exclusive of utilities.

Single taxers believe a person should pay one tax (or rent) in ratio to the fruits of his enterprise, not a pyramid of taxes they feel stifles the desire to progress. While they frown upon the unproductive sluggard in the body politic, neither will they soak him with heavy tax or rent.

They also believe that if a community is not burdened with a maze of taxes, its productivity is freer to grow. Thus, by individual effort, an individual improves his occupied land, pays higher rent as he improves it, and thereby provides the community with

funds to supply its municipal needs.

**THE FAIRHOPE COLONY** applies that principle. It pays, from annual rents, its lessees' taxes, if improves and paved streets; it improves undeveloped land for occupancy; it helps maintain a public library it gave the community; it makes charitable gifts; it maintains a cemetery—and it pays taxes itself.

Just as Dr. Gaston is one of the few genuine single taxers thereabouts, few of the occupants of Colony land are members of the Single Tax Corp., legal parent of the Colony. One need not be a member of the corporation to lease land. Many non-corporation members have come on Colony land because of what they consider to be the economic advantages of Colony land as compared with purchased land.

**TO BECOME A MEMBER** of the Single Tax Corp.

applicant pays a fee of \$1. Only members of the corporation have voting rights in the annual election of officers and business affairs of the Colony. Each member has one vote; married couples two, on a single membership. Officers are elected annually.

A committee composed of officers of the corporation meets annually and fixes rents on Colony land. A leaseholder has the right to appeal the amount of his fixed rent. However, rent on Colony land has been lower, generally, than rent on comparable non-colony land.

For the greater part, the Single Tax Colony and the City of Fairhope have lived together amicably. Until recent years, the historical tax pattern of the city has been affected by single tax views. At first there was only the *ad valorem* tax. More recently, however, the city has instituted beer and liquor taxes, an amusement tax, and

finally, a city license tax.

Ironically, the Single Tax Corp. pays one of the larger city license fees. But with tight lips, as a protest of principle.

Dr. Gaston admits to having been a party to one incident of backsliding—taxwise.

**WHEN HE WAS** a member of the city government it became an unpleasant fact the municipality needed additional income. He admits to having voted for beer and liquor taxes, reasoning, he said, that was one item on which he could compromise his views.

Single taxers are not a militant lot. They stage no rallies, beat no drums, pound no tables.

A supporting spokesman for the single tax view is the weekly Fairhope Courier, a paper brought to Fairhope by the elder Mr. Gaston and now operated by his estate. Mrs. Francis Gaston Crawford, a daughter, is editor of the

publication which is dedicated to the single tax principle.

**PERHAPS** the simplest way to express the Fairhope Colony idea as it now is, and has been practiced since 1895, is contained in an article of the Colony's constitution on "Individual Freedom." The article states:

"The natural rights of the members to absolute freedom in production, exchange, associations, beliefs and worship shall never be abrogated or impaired by the Corporation, and the only limit to the exercise of the will of the individuals shall be the equal rights of all others."

That's another way of saying the Colony might balk if you tried to build a honky-tonk on your leasehold in a residential neighborhood, but wouldn't lift a finger if you had only a few thousand dollars with which to build a home next door to a costly residence.

Fairhope is a modest town. The community's population is made up of people who deal in services, both in business and professional lines in Fairhope, and in Mobile across the bay. Too, there is a rather large segment of retired residents in the community.

There are good schools (including a new one), an unusual school named the School of Organic Education; there are many churches; there is a city park along the bay bluff donated to the city by the Colony and containing what would be about the choicest building sites in the city; there is a municipal pier, a ball park and much better than average municipal services.

**THE CITY** has followed the Colony and the Colony the city, well beyond the experimental stage.

Colony single taxers realize they've lost most of the rounds thus far in the fight against taxes. But while giv-

ing ground by necessity, they're firm in their convictions. And in the fundamental of all single tax fundamentals, they've won a 60-year victory.

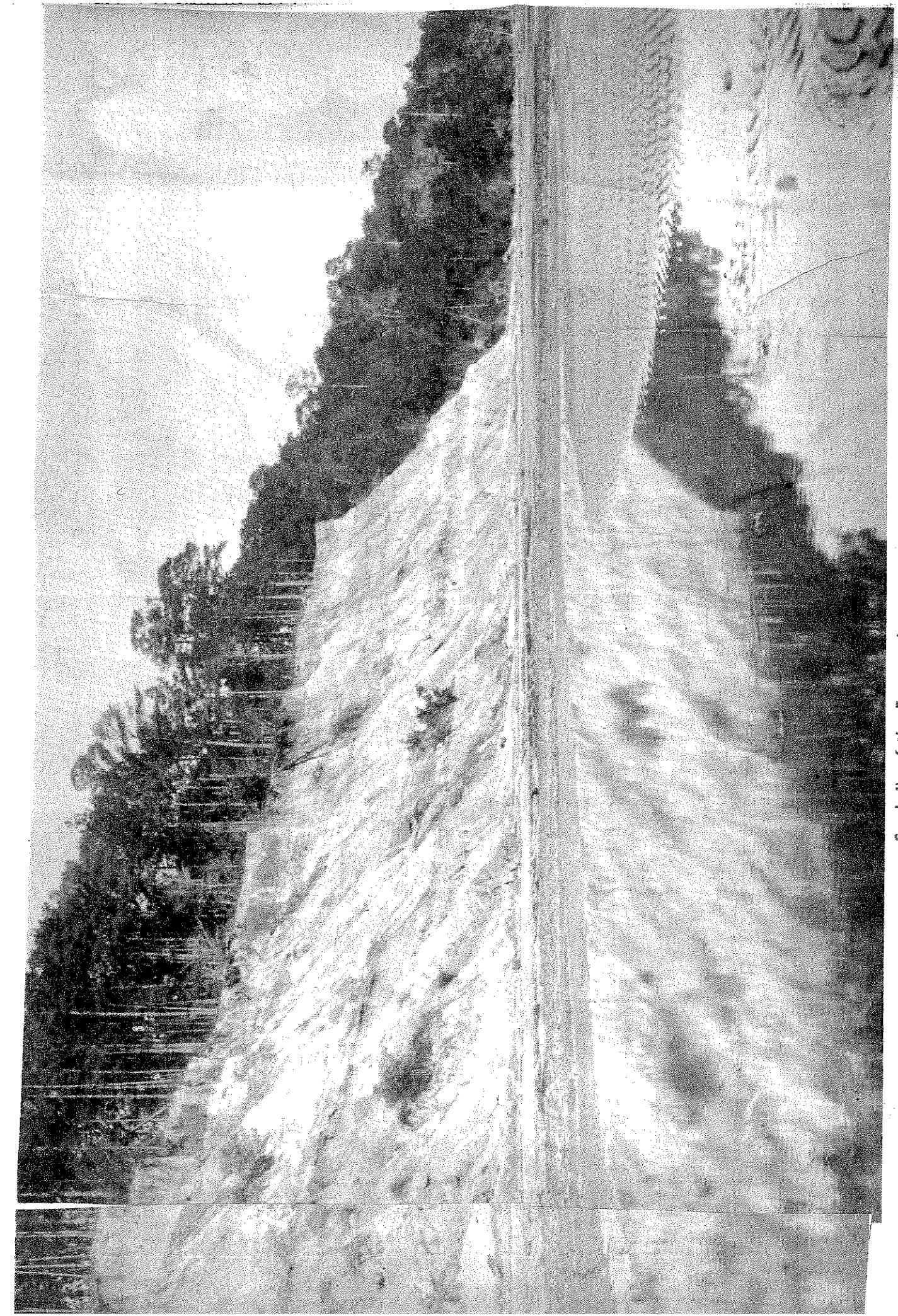
Colony land remains free, as they hold it should be.

"There are some," Dr. Gaston observed with a smile, "who consider our single tax views, and perhaps ourselves, as peculiar. Perhaps we are."

But does Dr. Gaston think the single tax theory is a dead issue?

On the contrary, Dr. Gaston believes social trends in government mean that some form of single tax is inevitable. Socialism, is Dr. Gaston's broad conclusion.

For those who may want to go into more detail concerning Fairhope's Single Tax Colony, Dr. Paul E. Alyea, professor of finance at the University of Alabama, and Mrs. Alyea, have written a book on the subject. It will be published by the University Press next December.



Symbolic of the Eastern shore are these magnificent, 140-foot cliffs near Fairhope known as Ecor Rouge. A great tourist attraction, this spot, also called Red Bluff, is almost as well known as the Single Tax experiment of Fairhope. This picture, submitted by E. A. Bailey of Mobile, offers a striking view of the highest point touching salt water from south of Maine to Brownsville, Texas. The pleasant little town of Montrose shares this landmark with all of Mobile Bay's Eastern Shore and all of Alabama shares the intriguing tale of Fairhope's Single Tax.