Single Tax Corporation Presents Views

by Vickie Chandler

The Fairhope Single Tax Corporation, which has recently come under fire from several dissatisfied lessees, has sent letters to all its lessees acknowledging the upset of some over land rents and general policy, and outling its views.

The letter refers to a public hearing held Monday, April 21, when about 300 lessees (out of over 2,000 persons leasing land from the Corporatin) voiced complaints. No representative of the Corporation was present, as the hearing coincided with the Executive Council meeting.

Single Tax officials, however, have expressed concern over the greivances and accusations of the 300 lessees, and is attempting to educate the public and other lessees with facts which refute the derogatory claims.

With the letter, which the Corporation mailed this week, was a copy of the 1974 annual Financial Report, which was published in the Courier about two months ago and which is available in brochure form at the Single Tax office.

The report lists receipts and debits of $257,151.39.

Mrs. Ruth E. Rockwell, secretary of the Corporation, explained that the financial statement is sent to the lessees every year as a matter of course and gives a detailed accounting of Corporation activities.

Rent, Not Tax

"We are happy to meet with any of our lessees," Mrs. Rockwell told the Courier, "and have requested that any lessee who is concerned over his rental rates make an appointment with the Executive Council."

"It must be emphasized," she said, "that the high figures, such as $5,000, quoted by some lessees, are not property tax. The figures are land rents." The lessees, she said, are comparing land rents charged by the Corporation to property tax. "This," she said, "is misleading."

The lessees, under the ideas of economist Henry George, pay a single tax, in this case to a corporation, which in turn pays the taxes for the lessees.

The letter sent out by the corporation reads in part, "The Council is, of course, fully aware of the efforts in recent weeks of a number of our lessees to voice group dissatisfaction to the announced policy of this corporation as contained in its Constitution, its By-laws, its Legislative authority, and the Leases which each of you executed with full knowledge of the contents."

"These efforts have included an attempt to encourage the legislature of Alabama to amend the law under which this corporation was created. We have nothing to hide from our members, lessees, or the public in general; a contrary attitude or policy would be a breach of trust; and neither shall we hide our desire to promote the theory of the single tax."

Economic Reform

The economic theories of George were formed in the 1800s to effect reform in the economic thinking of America, and to stem the increasing tendency of governments to tax virtually every material possession an individual owned—houses, automobiles, livestock, and income, as well as additional local, state, and federal sales taxes, and of course, land.

This multi-taxation system is, of course, the prevailing system in the United States, although some locations and some possessions, George maintained are immaterial since all assets stem from or depend upon the land in some way. Land, he believed, is the only asset of permanent value.

The idea of owning land was an offense to George, since he believed ownership of land could place undue power in the hands of the owner. Land belongs to everyone, and must be used to the public good, owned and supervised by a benevolent administration which alone should have the power to designate land for use, in such ways as public parks, libraries, schools and other services and businesses for the good of the entire community.

Several public services have been donated to the City of Fairhope, Single Tax officials have noted. The contents of the public library were given to the city in 1964, with the Corporation retaining ownership of the building and leasing the land on a regular 99 year lease-basis.

Land deeded (donated) to the city includes the site of the volunteer fire and police departments, the site of the sewage treatment plant, and 66 acres of public parks in Fairhope, primarily along the bay. In addition, the records show the Corporation leases land to the city for Stimpson Fields and the new water well site. The rent for the latter is about $17.00 per year.

The officials have also noted that the corporation gave the water and electric systems to the city in the early years of Fairhope.

"The benefits which Fairhope and all of its residents have received directly and indirectly from the Single Tax Corporation cannot be measured," a spokesman said.

Legislative Authority

Other parts of the letter to lessees reads, "This corporation was organized and now exists under Laws Alabama, which have been twice uphe constitutional exercise of legislative authorit incorporation for the mutual benefits of ou lessees."

"The Council considers inquiries from healthy condition for the corporation, and instrument in fulfilling its obligations to it lessees; but this Council will not yield, not s concerted efforts by a few dissident less resentment and protest to the plain and unar of valid, legal contracts for the use and enjo belonging to this corporation."

"To do otherwise would be a disgrace, and intelligence of every lessee of this corporat

The letter asks lessees to "let us know" council has "acting unreasonably...have unfairly...discriminated against you in im theories...or (if you feel you) made a mistake from this corporation."

"We shall afford you all the relief that we ca good conscience offer you; and if we made a r admit it."

The letter concludes, "You have each ackr that you understand our position; we hope yours. We will not, nor should we, engage debate; we stand ready...to privately answer inquiry of any member or lessee involving thi theory or practice."

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Valuable Property

"We realize that some of the land rents sound high," Mrs. Rockwell noted, "but the land under question is valuable property located in the direction of Fairhope's future development. These lessees are renting large amounts of valuable land, for which they have not and will not have to pay highly esculated real estate prices by buying the land. The lessees buy or sell only their improvements, and thus are saved vast sums of investment money by renting."

"It must be remembered that the rent is based on the potential earning power of the land," Mrs. Rockwell explained.

This idea, built into Single Tax thinking, prevents an individual from buying large (or small) lots of land, holding on to it, letting it lie unused for years, and thus denying its' use to others needing it for houses or businesses.

The rental rates of land are based upon what that land could be bringing in to the area in the way of services, businesses, and other benefits, and are set to encourage good and profitable use of land.

"For each lessee who feels he is being treated unfairly," Mrs. Rockwell said, "there are others who realize the benefits they are receiving and who are happy with the policies of the corporation."