

50¢

Fairhope



and the
Single Tax Corporation

6631

To Jack Schwartzman

May you continue
your great interest and
enthusiasm

Best regards

Jack

Wm. C. Lucy

7-16-83 Bodega, Calif.

Jack — Smart clear like you who
think you know everything, are very annoying
to those of us who do

From ya

Don Gossen

7/16/83

The Single Tax Principle is founded on the premise that creative enterprise and labor should not be taxed, that man should be allowed to keep what he creates by his productive efforts and no man is entitled to demand a share of what others produce; that men have an inherent right to a place on the earth should have access to land on which to live and work upon payment of an annual tax equivalent to the economic rent of such land. There is nothing either socialistic or communistic about the Single Tax Program.

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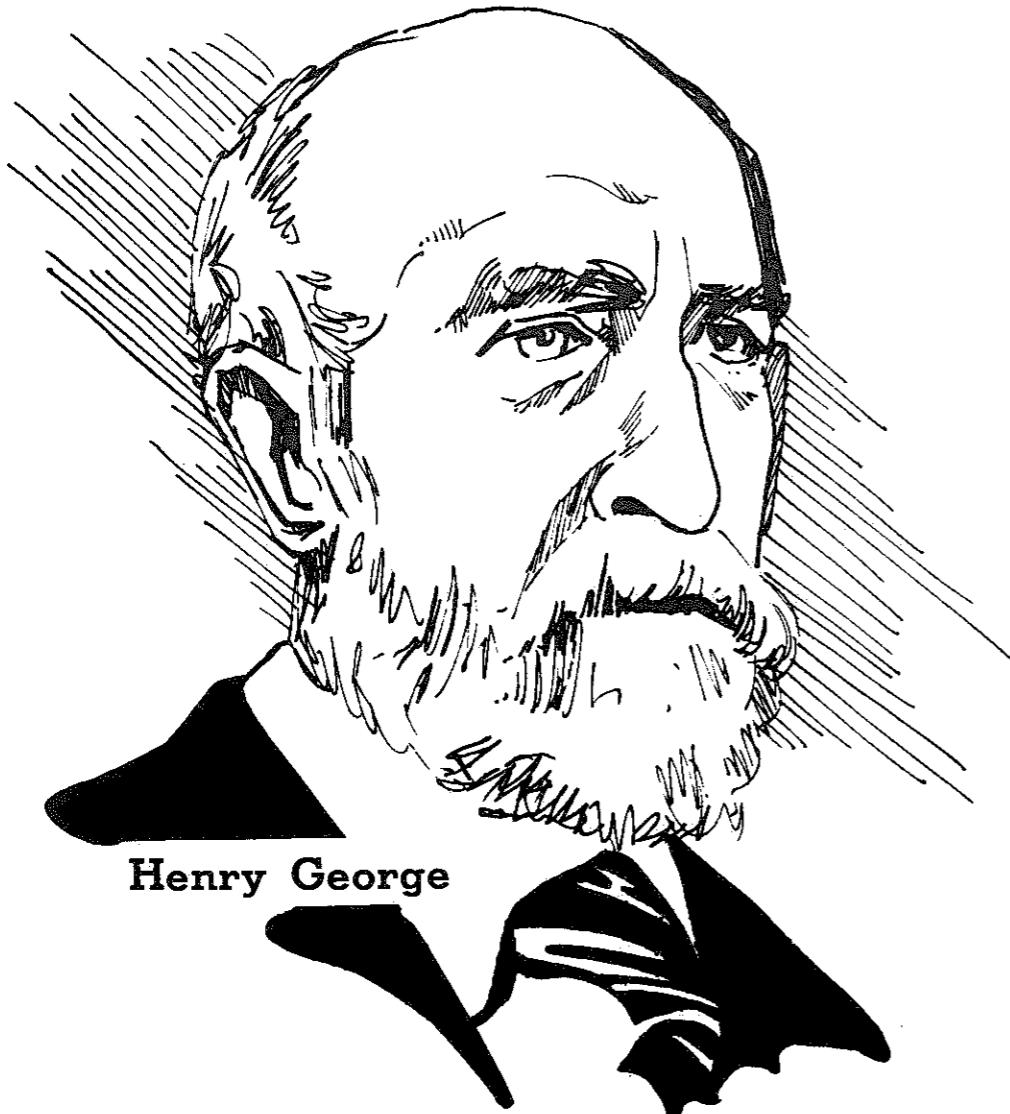
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Foreword



Henry George

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Illustration by Dean Mosher

Fairhope has a unique history. The founders of Fairhope based their principles of land taxation on the beliefs of the economist Henry George whose major work was *Progress and Poverty*.

Fairhope, referred to as a Single Tax colony, originated from a plan conceived by members of the Des Moines Single Tax Club. Those members of the Des Moines Single Tax Club who were interested in the Fairhope Plan organized an association - the Fairhope Industrial Association.

The site for Fairhope was chosen by the Fairhope Industrial Association in 1894. The first colonists occupied their chosen site in the winter of 1894-1895. The Fairhope Industrial Association was incorporated under the laws of Iowa in 1894, and gave way in 1904 to the Fairhope Single Tax Corporation, incorporated under Alabama law. The municipality of Fairhope was incorporated in 1908.

What Fairhope represents is a bridge between the past and the future. What Fairhope devised from Henry George has, in turn, promoted the concept of land value taxation. Not only has the Fairhope "experiment" proved successful, it has also helped spark a "new" application of land value taxation that is revitalizing cities around the world.

Fairhope has a fascinating history as a Single Tax colony. In addition, the Fairhope Single Tax Corporation has a great future in the forefront of a continuing trend toward land value taxation. The Fairhope area represents a perfect blend of tradition and progress, of past and future, combined to form a successful and thriving community.

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Chapter I

The Fairhope Single Tax Corporation has a fascinating story behind it. Fairhope's story dates back to the late nineteenth century, and to the American economist Henry George. Fairhope, Alabama was founded with the objective of adopting a land value taxation system based on the principles of Henry George. Although Fairhope has often been referred to as a colony, the term never precisely described the Fairhope community. The term colony was used to describe certain modes of life, social overtones, and community attitudes.

Fairhope was founded by the Fairhope Industrial Association of Des Moines, Iowa, in 1894. The Association became the Fairhope Single Tax Corporation in 1904.

The City of Fairhope was incorporated in 1908, giving the community a municipal government.

The founders of the Fairhope Single Tax Corporation took Henry George's theories and modified them to form a unique "Single Tax" corporation. They believed that the economic system would be improved if land and only land was taxed. After spending time searching through four states to find an ideal location for the first single tax colony, the founders of Fairhope picked the eastern shore of Mobile Bay, because of its beauty and its climate.

The great economist Henry George was quite an individual. A man of diverse talents, George prided himself on being an adventurer, gold prospector, worker, sailor, compositor, government bureaucrat, and lecturer. One thing for sure, the thin, bearded economist was quite a go-getter. The wiry fellow had a cause, and his cause involved taxation.

Henry George became enraged at the social injustices that he witnessed. In his great work *Progress and Poverty*, Henry George offers his remedies to the social injustices of his time. Born in 1839 in Philadelphia, George grew up during the great age of industrialization.

George believed labor and enterprise should be freed from taxation. George proposed a single land tax, and advocated that all taxation except that on land values could be eradicated.

The dedicated economist believed that if land was taxed at the same rate whether it contained improvements or not, and if the improvements themselves were not taxed, then no one could afford to hold land that was not being used. The effect of a single land tax would be to stimulate industry, to open new opportunities to capital, and to increase the production of wealth.

The tax on land can readily be ascertained, George pointed out, as land cannot be hidden or carried off. A land tax is also more equitable; the value of land grows with the growth of the community. It exists only as the community exists. Rent - or the single tax - is collected to be used for the needs of the community.

What the founders of Fairhope did was take the theories of Henry George and make a practical application through the experiment of a single tax colony. Instead of advocating that land be owned privately, the founders of the Fairhope Single Tax Colony advocated a community ownership of all the lands. These lands would be "rented" by homeowners and others, who would be charged rent. From this economic rent, the Corporation would pay the property taxes levied by the county and state.

In contrast to the single land tax, the effects of other methods of taxation are not very positive; they tend to discourage progress. For example, taxing manufacture checks manufacturing, taxing improvements lessens improvements, taxing commerce prevents exchange, and taxing capital drives it away. A land tax, however, does not have such negative effects.

The Single Tax Colony offered social, political, and moral reform. Believing that individual rights are denied under the usual tax structure, the founders of the Colony sought to create a socially optimal atmosphere in which to live. The essence of the single tax philosophy involves a belief in freedom and in individualism. Thus, the founders of Fairhope organized a landowning corporation to demonstrate the efficacy of the single tax theory. The founders believed that everyone was entitled to a "fair hope" for the future; the single tax community of Fairhope was conceived to fulfill a dream.

It is interesting that Fairhope illustrates a concept of land value taxation that has been successful in reactivating stagnant urban areas across the United States. What the Fairhope Single Tax Corporation has perpetuated is a precious and valuable concept of taxation. Today, the modern approach to land value taxation is being advocated by many tax reformers. The first step in implementing a land value tax involves a reform of the property tax structure regarding real property as it exists over most of the world.

The current property tax structure in most of the world consists of two taxes in one: a tax on the assessed value of land and a tax on the assessed value of the man-made improvements thereon. Although our present property tax does tax land value, it also taxes a basic necessity - improvements - and therefore raises their price and discourages competition and new construction.

Tax reform, as proposed by the land value advocates, is simple when done gradually. In any given year, we need only reduce the rate of property tax on buildings and make up for the lost revenue by raising land assessments. Thus, the tax burden would gradually be shifted to the land until finally buildings would not be taxed at all, and the entire property tax would be placed on land.

Just who benefits from the land value taxation? Small businesses, new industry, the environment, and homeowners all benefit.

The system of land value taxation benefits small business. This benefit characterizes Fairhope life, for small businesses seem to boom on the land of the Eastern Shore's Single Tax Corporation. Under the usual property tax system, when we construct new buildings we are immediately hit with heavy new taxes which add greatly to risk and credit requirements.

These heavy taxes weed out small businesses which have trouble securing large loans; this tax system, instead of encouraging competition, actually discourages free enterprise. By contrast, a tax on site values does not go up at the moment of greatest capital need. Thus businesses of all sizes need not shell out so much money for the "privilege" of providing a community with needed

jobs and services. Thus, land value taxation encourages competition.

Similarly, land value taxation attracts new businesses to an area. Fairhope has been the most progressive small city in South Alabama because it has not become stagnant; it is continually attracting new businesses.

Land value taxation also serves to keep the countryside protected from "urban sprawl" and the cities protected from "urban blight". When land within our cities is used inefficiently, too much unplanned industrial development takes place in the countryside.

The remedy to this problem involves land value taxation. By taxing land value at a higher rate and buildings at a lesser rate, it becomes increasingly expensive to keep urban land out of full use. Tax land and it has to be put to use in order to earn an income sufficient to pay for the locational advantage of the site, plus a reasonable profit for the improvement. Land value taxation also reduces land speculation; it keeps down the price of land and takes the profit out of land speculation.

In addition to these benefits from land value taxation, homeowners also benefit. The reduced tax on their homes far outweighs the tax on land. Moreover, land value taxation is just. Land is the ultimate source of wealth and jobs, and it should be available to everyone.

Protected from urban blight and stagnation by the single tax principle, Fairhope's downtown business section continues to be a vital part of the city's economy.



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"The Fairhope Single Tax Corporation has been a principal factor in the transformation of an undeveloped rural area into an attractive, thriving community."

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Chapter II

The Fairhope colony - a result of determination, creativity, and hard work on the part of its founders - evolved from the Fairhope Industrial Association of Des Moines, Iowa. On February 7, 1894, papers of incorporation were filed for the Fairhope Industrial Association - the forerunner of the Fairhope Single Tax Corporation. The founders wanted to establish "...a model 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 co-operation in matters of general concern."¹

Three personalities tended to dominate the formative stages of the colony: Ernest B. Gaston, James Bellangee, and Joseph Fels. Initially, Mr. Gaston wanted to model a colony along the lines of Edward Bellamy's *Looking Backward*. While trying to establish this colony, Mr. Gaston met Mr. Bellangee who suggested, as an alternative, a colony that would serve as a working model of the single tax. Mr. Bellangee had been influenced by William Morphy, a leading spirit of the Des Moines Single Tax Club and an avid follower of Henry George. Thus, the single tax features of the Fairhope Plan flowed from Morphy to Bellangee to Gaston.

Together, Bellangee and Gaston organized the Fairhope Plan and placed it before their fellow single taxers. Their first meeting was held on January 4, 1894, in Mr. Gaston's office in Des Moines, Iowa. A second meeting was held on January 31, 1894. At this meeting, a constitution was adopted and officers were elected.

As stated in Chapter 1, although Fairhope was set up as a "Single Tax" colony, its concepts differ somewhat from the exact proposals made by Henry George. The Fairhope Industrial Association set up a colony where land was owned by the corporation itself, rather than by individuals. Henry George proposed a single land tax, but he did not specifically advocate community ownership of land. He maintained that one single tax, on the land itself, would result in optimum use of the land, because land owners could not afford to let heavily-taxed land lie dormant.

Following the adoption of a constitution, the founders agreed that a location for their experimental colony should be provided as soon as possible. On May 11, 1894, the executive council unanimously chose Mr. Bellangee and Mr. Mann to act as a committee to seek a location. They investigated locations in Arkansas, Alabama, Louisiana, and Tennessee. After spending two months investigating land sites, they decided that the eastern shore of Mobile Bay would provide the ideal location for the single tax community. Mr. Bellangee expressed his fascination for the site:

There is probably no other place that we could secure where so many friends from the north would be interested in visiting us and in spending the winters for pleasure and health. Of the health features, there can be no doubt as it has all the advantages of the Gulf Breeze in its purity and the high altitude and perfect drainage and the health giving aroma of the pine trees.²

Thus, the Fairhope Plan was decided to be carried out on the eastern shore of Mobile Bay in Baldwin County, Alabama.

On November 15, 1894, groups and families from various parts of the United States departed their homes for Baldwin County, Alabama. The initial group of twenty-five boarded the steamer *James A. Carney* in Mobile and crossed the bay to settle in Fairhope. The first purchase of land made by the colonists consisted of 132 acres with 2,800 feet of bay front land for \$6.00 an acre. Shortly thereafter, an additional 200 acres inland was purchased for \$1.25 per acre.

The first colonists were faced with many difficulties. Much of the land was submarginal and most of the colonists were strangers to each other as well as to the South. The small purse of the Single Tax Colony would not at first allow the much-needed purchase of a large tract of land that would enable them to make a convincing demonstration of the Single Tax principles as applied to land owned by the Colony.

The determined colonists, however, refused to give in to adverse circumstances. By 1907, the land holdings consisted of 4,000 acres. There were 125 homes, and a population of 500. The colony provided public bathhouses, a school, and a library. In addition, the community boasted the only public waterworks in Baldwin County. Moreover, the business district contained a dozen stores, three hotels, a sawmill, a brickyard, blacksmithshop, and printing shop.

A municipal government was set up in Fairhope in 1908. The Fairhope Single Tax Corporation and the city of Fairhope are two separate entities. Today, the City of Fairhope is responsible for all administrative duties pertaining to the city, including the maintenance of utilities and streets.

Throughout the years, the Single Tax Corporation has provided the City of Fairhope with numerous benefits. In 1931 and 1932, the town of Fairhope received its most valuable assets — the beach front park, the parklands on the bluff above the beach, Henry George Park, and the pier grounds. These lands were an outright gift made by the Single Tax Corporation. With wisdom and foresight, the officers of the Single Tax Corporation stipulated in the deed that the lands donated by them would be used as public parks and not for the private use or gain of any individual.

Membership in the Fairhope Single Tax Corporation is available to any person 18 years or older who subscribes to the principals of the Single Tax and whose application is approved by the Corporation and who shall contribute \$100 to the Corporation. According to Article IV of the constitution, "supreme authority shall be vested equally in the membership, to be exercised through the initiative, referendum, and recall, as hereinafter shall be provided."³

The Corporation lands are leased to members and non-members at an annually-appraised rental that equalizes the varying advantages of location and natural qualities of different tracts. Land leases convey the right to the use and control of lands so leased and to the ownership of improvements made or products thereon, as long as the leasee shall pay the annually appraised rentals.

The process of leasing land from the Fairhope Single Tax Corporation is relatively simple and straightforward. Specific rules have been adopted for accepting applications for land, and for issuing leases. For the benefit of the applicant, he is required to: 1) read the application for land; 2) read the lease con-

tract; 3) read the constitution of the Single Tax Corporation; 4) be interviewed by an officer or designee of the corporation to determine that these documents are understood and that these terms are acceptable; 5) sign an application for the land; 6) execute an affidavit acknowledging acceptance and understanding of the lease agreement.



"We were impressed with the town [and] the unusually wide and well-kept paved roads..."
Ruth Nevins, May 28, 1979 *Eastern Shore Courier*.

The Fairhope Single Tax Corporation continues to provide community services and to acknowledge the obligations of its historical heritage. The Single Tax Corporation offers to all interested individuals an eleven-week course, using *Progress and Poverty* by Henry George as the text. There is no charge for instruction. There is a nominal charge for materials used in the course.

As we have seen, the advantages of living on land owned by the Fairhope Single Tax Corporation are numerous. The fact that there is no individual ownership of land helps keep in check land speculation. Land is made available through leases to those who will use it and improve it. Therefore, the purchase of a home is much more accessible to more people because of the Corporation.

The only large capital outlay that the lessee must make is for the house and other improvements. Because the right to use the land is covered by the lease, there is no capital outlay for the land. Lessees recognize the advantages of this arrangement.

A lease holder, Ruth A. Nevins, has many good things to say about her relationship with the Single Tax Corporation. Her comments were printed in the *Eastern Shore Courier* on May 28, 1979.

Before it was time for my husband to retire we made an extensive tour of the country trying to find just the right place to live. We decided on Fairhope because my husband had spent

the happiest days of his boyhood in his family's summer house on Perdido Bluff and he loved this beautiful country. We knew nothing about the Single Tax Corporation, but the house we liked happened to be on their property. However, we were impressed with the town, the unusually wide and well-kept paved roads, the beautiful parks and trees and above all the pier and its adjoining free beaches and trees growing almost down to the waterfront. We learned that the Single Tax Corporation had given these parks and waterfronts to the town with the stipulation that they be kept in their natural state. If the corporation had been out for the profit, the valuable waterfront property would have been sold at a high price and houses would be where our parks are today... We have had nothing but pleasant relationships with the corporation. Our 'rent' has gone up very little in comparison with the rate of inflation. I don't know how it would compare with the taxes if it were on 'Deeded' property, but I doubt if there would be much difference and none if you consider the automobile tax and upkeep and paving of the roads that the corporation assumes." ⁴

We have seen that there are great advantages to the single tax concept of taxing the land only. In the next chapter, we'll discuss "land value taxation", a modern cousin of the Single Tax, and learn how well taxing primarily the land works in large cities. (In these cities, of course, the land is widely held, by individuals and other investors, not by one corporation.)



"We learned that the Single Tax Corporation had given these parks and waterfronts to the town with the stipulation that they be kept in their natural state. If the corporation had been out for profit...houses would be where our parks are today..." — Ruth Nevins, May 28, 1979 *Eastern Shore Courier*.

Chapter III

Land value taxation is being applied in many large cities in the United States and in other parts of the world. Brevard Cribfield, executive director of the Council of State Governments has said, "We need property-tax reform with better assessments, better administration, and more stress on taxing land."⁸

Pittsburgh, Pennsylvania has adopted a land value taxation system for these very same reasons. At one time, Pittsburgh was demoralized because it had become a stagnant city. Although there are many things that a city government can do to help downtown businesses, one of the most effective ways to help business is to un-tax it. Instead of taxing downtown business into trouble or out of business, land should be taxed.

Pittsburgh has recognized that taxing workers, buildings or improvements is unfair. As a result, the city has taken a giant step forward toward its economic renaissance. First of all, Pennsylvania has the distinction of being the first state to make provision for the application of a concrete plan for cities to tax improvement values at a lower rate than land values. Pittsburgh, in 1914, adopted the plan of placing the burden of municipal taxation upon land values. Today, the tax has come to be a permanent feature of the Pittsburgh public revenue system.

A Pennsylvania Act of 1931 provided for the partial exemption of improvements by gradual stages. The plan enlisted strong newspaper support. The *Pittsburgh Post* has this to say about the land value tax:

Formerly land held vacant was touched lightly by taxation, even as it was being greatly enhanced in value by building around it. The builders being forced to pay the chief toll, almost as if being fined for adding to the wealth of the community. Now the builders in Pittsburgh are encouraged; improvements are taxed just one-half the rate levied upon vacant land, building has increased accordingly.⁹

As a result of the Graded Tax Plan, living conditions in Pittsburgh have greatly improved. Compared to what they would pay with a flat-rate property tax, apartment owners saved 16% on the average. It is the homeowner, however, who emerges as the chief beneficiary of the Graded Tax.

Many studies prove that land value taxation benefits homeowners. In Harrisburg, land value taxation has been successful. Forty-four homes in a representative sample of sixty homes paid less with a land tax shift. In Erie, Pennsylvania, a very extensive sample showed that 80% of all homes paid less with a land tax shift. And, in Lancaster, Pennsylvania, thirty-seven homes in a sample of forty paid less with a land tax shift.⁷

For the first two months in 1980, Pittsburgh experienced a surge in building activity. As a result of land value taxation, new building permits for additions and extensions were up. Pittsburgh's effective tax rate on property improvements is

1% of market value, and likely to stay at that figure. On the other hand, Pittsburgh's land is taxed at 4.4% of market value.⁸

Land value taxation has been applied in many countries around the world. One country which has applied land value taxation is Denmark. Although Denmark was once in financial difficulties, it is generally admitted that this country is now one of the most prosperous countries in Europe.

In Australia, a larger proportion of community-created ground rent is collected than in any other part of the world. Nearly two out of three municipal councils in Australia, covering 92% of the municipalized area, tax land value only. Data from Victoria indicated that there has been a concentration of development in towns where buildings have been untaxed. And, those municipalities of Australia that have adopted land value taxation have increased their constructing by a startling 58% more than any of their neighbors.⁹

In Camberwell, a beautiful area in suburban Melbourne, Australia, houses are modern, of pleasing design, and generally kept in good condition. But, in 1922, Camberwell was a straggling city of 8,850 acres with a total of 7,594 buildings and a population of 25,987. When the city adopted a site value tax, the number of dwelling construction permits jumped tremendously. In addition, a survey made in 1944 showed that 75% of the homeowners paid less under site value taxation than under the alternative property tax system.¹⁰

In Western Canada, taxation of land values and exemption of improvements has been rather generally adopted. In British Columbia, 54 of the 104 municipalities exempt improvements 50%. W.M. Mott, former mayor of New Westminster, said, "86% of our householders own their property, which we believe is the highest percentage in Canada. Land speculation has entirely disappeared. ...The manufacturers and businessmen are in an enviable position, since they can and do make improvements to their plants without the fear of increased taxation."¹¹

And, in New Zealand, 81% of the localities tax land values only; 92% of its cities tax land values only. Take the case of Dunedin, an old-time city of 75,000 in New Zealand. In 1953-54, Dunedin imposed \$3,242,285 in municipal property taxes — \$964,740 on the land and \$2,283,545 on buildings. Land value taxation was introduced and the \$2,383,545 tax burden was removed from buildings in one fell swoop while the land tax was more than tripled.¹² As a result, a tremendous increase in construction and renovation ensued in the old town. Building permits jumped 69% in the year following adoption!

Land value taxation also works in the California Irrigation District. As a result of the change in the mode of taxation, many large ranches have been cut up and sold in small tracts, and the whole area is being cultivated intensively. Thus, the new system of taxation has brought great prosperity to the Districts. It should be made clear here, that farmers and large landowners aren't hurt by land value taxation - provided they put the land to some use and do not leave it unused and simply hold it for speculation.

In addition, there are a vast number of experts who favor land value taxation. Historical figures such as Louis D. Brandeis, former U.S. Supreme Court Justice; Clarence Darrow, famous lawyer; Albert Einstein; and Helen Keller have all endorsed the principles of Henry George and the concept of land value taxation.

Louis D. Brandeis found "it very difficult to disagree with the principles of Henry George". Franklin Roosevelt believed "Henry George was one of the really great thinkers produced by our country..." Albert Einstein found in Henry George "a beautiful combination of intellectual keenness, artistic form, and fervent love of justice"; while Helen Keller found Henry George's philosophy to possess "a rare beauty and power of inspiration and a splendid faith in the essential nobility of human nature."¹³

Perhaps Woodrow Wilson best summarizes the impact that Henry George has had on economic thought:

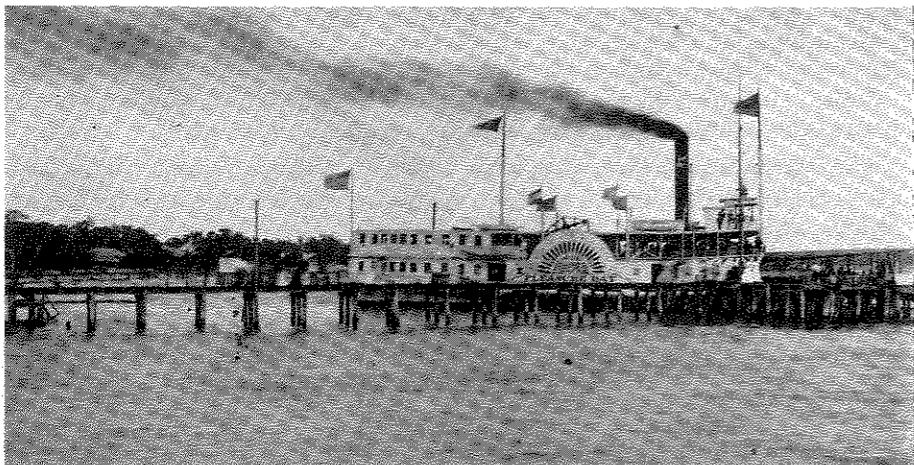
The country needs a new and sincere thought in politics, coherently, distinctly and boldly uttered by men who are sure of their ground. The power of men like Henry George seems to me to mean that.¹⁴

Henry George's power continues to persuade dedicated followers to adopt some kind of method of land value taxation.

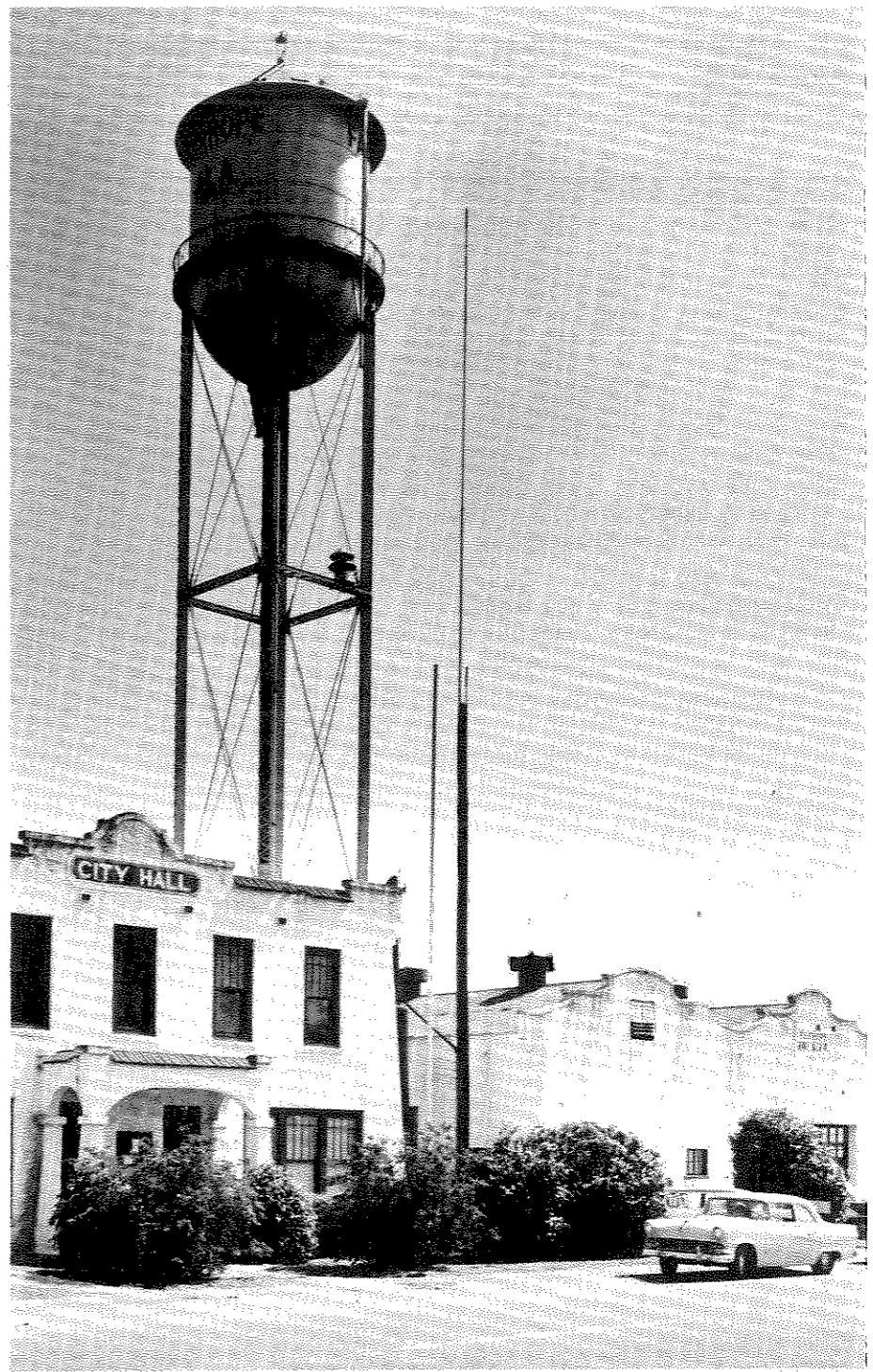
In very recent years there has been an increased awareness that reform is needed in our current method of property taxation. In 1972, the *Wall Street Journal* had the following to say about the prevailing system of real property taxation:

In a year of polarized positions one issue is winning virtually universal agreement. Something must be done to ease the property tax load...Taxation to buildings and other improvements and comparatively light application to land, penalize and discourage construction and modernization in the inner city, accelerating urban decay and suburban sprawl.¹⁵

And, urban tax and land use experts, both in academia and government, are becoming increasingly more receptive to land value taxation. For land value taxation to work, a strong dedication on the part of those who support this method of taxation is required. They must be moved to convert their intellectual understanding into real action. Most definitely, the Single Tax Corporation of Fairhope possesses a dedication to real action — action that will further the beliefs of Henry George and action that will benefit the community of Fairhope.



Before Interstate 10, before the Battleship Parkway, a trip across the bay was a real adventure.



"The country needs a new and sincere thought in politics...uttered by men who are sure of their ground. The power of men like Henry George..." — Woodrow Wilson.

Chapter IV

Under conventional systems of property taxation, central business districts across the nation face a difficult future. While modern suburban shopping centers flourish, the stores in many cities' central business districts just get older. Business and store owners face a difficult situation, for, why should one property owner in the central business district refurbish his building if he is surrounded by blight on all sides? By untaxing improvements, public officials will encourage all property owners to renew or maintain their properties properly. Obviously, we would all be more inclined to construct a new building or improve an old one if the construction did not increase our taxes.

As our present system of property taxation exists today in most cities, however, we actually discourage improvements to buildings by raising taxes as we increase improvements. Fairhope, with its "single tax" recognizes that people need an incentive to maintain and improve their buildings.

Those people involved in the inter-workings of the Fairhope Single Tax Corporation are acutely aware of its efficiency and its numerous advantages. Unfortunately, many people take the Corporation and its contributions to the community for granted because it is so very efficient.

Too few families enjoying a picnic on the Fairhope pier or beach realize that those properties are gifts given by the Single Tax Corporation to the city of Fairhope. But, they are; and, they are gifts from a group of people who ask for nothing in return. Sufficient thanks, in the Corporation's view, is the enjoyment of the citizens, because the aim of the Fairhope Single Tax Corporation is to make land available to the entire community, both for recreation and for the location of their homes and businesses.

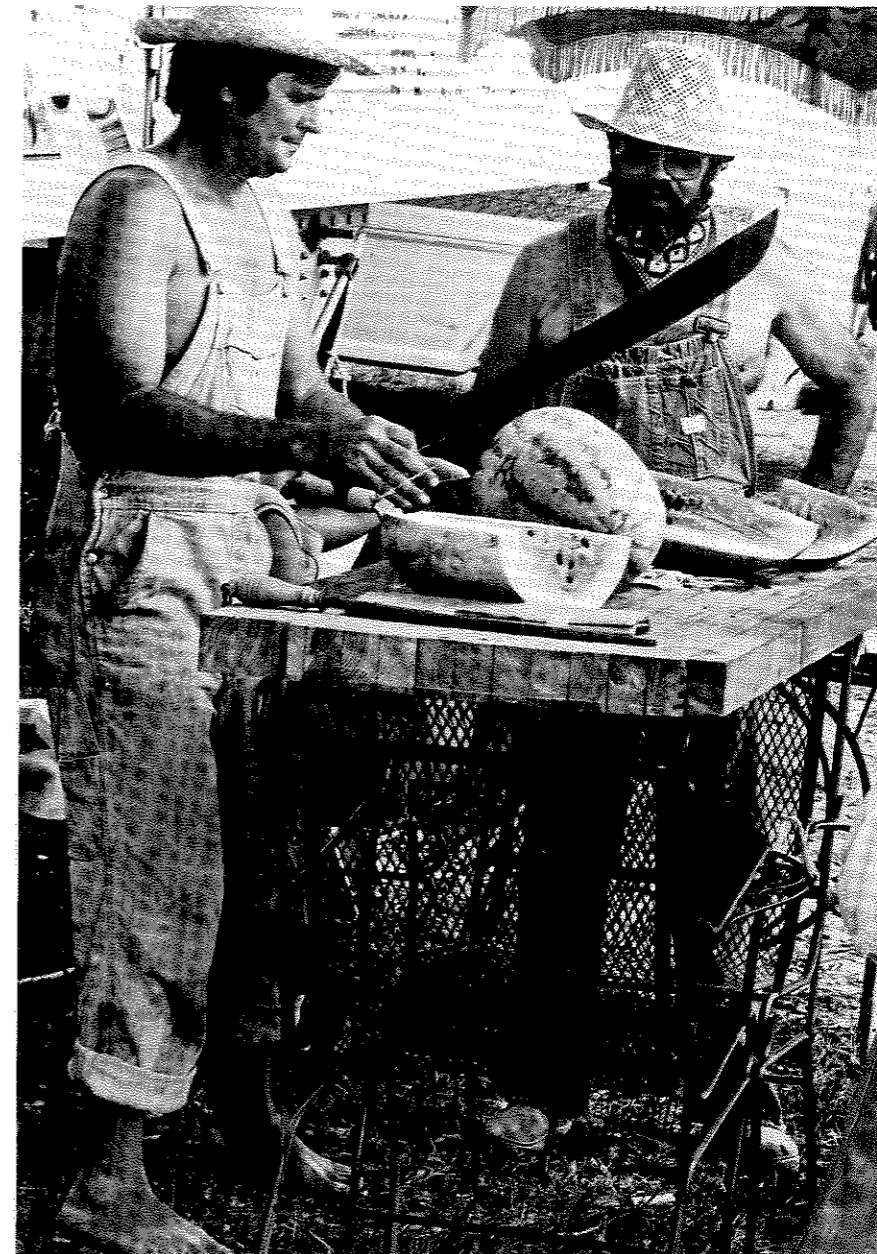
The Fairhope Single Tax Corporation has been a principal factor in the transformation of an undeveloped rural area into an attractive, thriving, and generally sound community. The corporation legally acquired its land by purchase and grant, and has a clear right to its ownership. No one is under any obligation to buy a home, farm, or business located on corporation-held land unless he chooses to do so.

Today, the Fairhope Single Tax Corporation maintains the general beliefs of the founders of Fairhope. Fairhope is more vital than most small south Alabama communities. The population of Fairhope affords a high diversity of interests and talents; it has maintained its strong regard for individualism. In fact, Fairhope is extremely well-balanced and cosmopolitan.

The community has a greater sympathy and a higher tolerance of, the occasional non-conformist, the intellectual, and the artistically-inclined, than is commonly found in most small communities.

The Corporation encourages diversity and respects each individual's right to believe what he chooses. The single tax doctrine is a social doctrine that is designed to benefit the entire society of Fairhope. The material well-being of the part of the community located on Corporation land will be even further enhanced as the community grows.

The founders of Fairhope — Gaston, Bellangee, and Fels — would be pleased to see that their "experiment" works. Although the dedicated founders of Fairhope met hardships, they worked diligently and made their experiment a success. The Fairhope Plan — once just lofty ideas on paper — has proved to be a "fair hope" and a reality.



Jake Williamson (left) and Joe Miller slice up the bounty of the Fairhope land in celebration of Independence Day, 1980.

Conclusion

In summary, the Single Tax Corporation, the largest landlord in Fairhope, owns about 4,000 acres of land with 3,000 feet near the waterfront, and extending back into Baldwin County for five miles. The corporation issues ninety-nine year leases instead of selling its lands, collecting annual rental and using the money for public improvements after it has first satisfied the claims of taxation imposed by county and state.

At first, the town of Fairhope was just a figment of its founders imaginations — imaginations stimulated by a study of the economic proposals made by Henry George in his book, *Progress and Poverty*. Through hard and diligent work on the part of the founders of Fairhope, the Fairhope Plan became a concrete example of the practical idealism to which single taxers are devoted.

The Single Tax Corporation has managed to maintain its holdings and to provide services to the community. A vital and good friend to the city of Fairhope, the corporation has continued to operate on the unselfish principles of its founders.

Benjamin Wheeler, former President of the University of California, captured the unselfishness of the fairhope Single Tax Colonists and other dedicated Georgists when he said:

From the teaching of Henry George there flows a stream of idealism that seldom has been equaled. Whenever you find men and women who are interested in what is going on in the world for reasons other than personal reward, they are earnestly seeking the good for their own sake, and for what they believe to be the good of the country.¹⁶

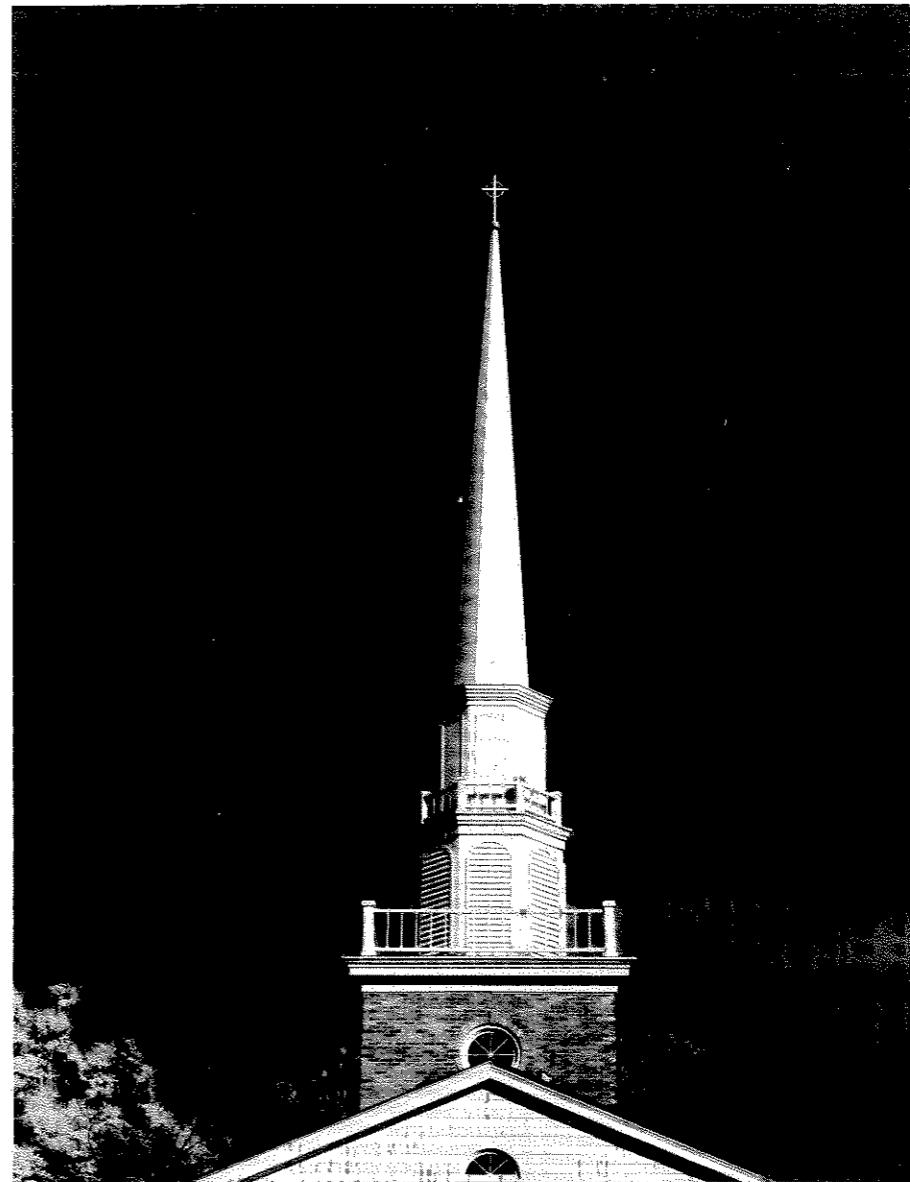
The early men and women of Fairhope had just enough idealism to face the hardships and to conquer them. As a result, they founded a community of cultivated, thinking people.

After researching the concepts of Henry George and after studying the history of the Single Tax Corporation, one begins to get a feeling of what the corporation is all about — to feel a certain kinship to its founders and to its present day members who have carefully preserved their history. While doing research, we came across a rather distressing quotation. We hope that this represents only a warning to the citizens of Fairhope. Often, we take for granted the good that we have and do not realize how fortunate we are until what we have is taken away from us.

All too soon the village becomes the town, and our cherished local color, individuality, and quaintness blend and tone down until little remains to distinguish us from our neighbors.¹⁷

Let's not let this happen to Fairhope.

The Single Tax Corporation of Fairhope is neither radical nor reactionary. It is comprised of a group of people who are proud of their heritage and who are justly proud of their accomplishments. So few things today are preserved in our push to become more advanced. Perhaps it's time we got back to basics and look to the Fairhope Single Tax Corporation as an example of a plan from the past that operates as successfully today as it did yesterday.



Trinity Presbyterian Church, Fairhope.

Footnotes

1. *Constitution of Fairhope Single Tax Corporation*, Article II, p. 1.
2. Paul E. and Blanche R. Alyea, *Fairhope 1894-1954*, p. 25.
3. *Constitution of Fairhope Single Tax Corporation*, Article IV, p. 3.
4. "Comment, Viewpoint: A Satisfied Lessee Speaks Out," *Eastern Shore Courier*, May 28, 1979.
5. "Single Taxers List Victories of George Plan," *The Christian Science Monitor*, November 9, 1929.
6. "Land Value Tax", *Pittsburgh Post*, July 10, 1975.
7. Steven Cord, *Catalyst!*, p. 48
8. "Pittsburgh has Building Boom", *The Henry George News*, May 1980.
9. Steven Cord, *Catalyst!*, p. 87.
10. *Ibid.*, p. 96.
11. *Ibid.*, p. 88.
12. *Ibid.*, p. 98.
13. "Endorsements", *Incentive Taxation*, July-August 1979.
14. *Ibid.*
15. *Wall Street Journal*, August 21, 1972, Quoted in Cord, Steven *Catalyst!*, p. 105.
16. "Fiftieth Anniversary of His Book 'Progress and Poverty' Widely Commemorated", *Birmingham-News Herald*, June 1, 1950.
17. Introduction to Poems by Scribbler's Society, by Mary Heath Lee.