

Fairhope's Results
Prove Single Tax
A Wise Choice

Fairhope got some fine publicity over WHEP's Baldwin County hour Sunday afternoon at 4 p.m. when Dr. C. A. Gaston, secretary of the Fairhope Single Tax Corporation gave a short history of Fairhope, and the Georgist theory on which it was founded. Following is the talk which was reproduced over WHEP from a tape recording made in the Colony office by W. L. Rowland of the WHEP Staff who lives in Fairhope.

"Fairhope, Alabama, after sixty years, appears to offer much evidence that its founders chose wisely when they selected the single tax as their principal tool with which to achieve their declared purpose to establish and conduct a model community."

When the Fairhope Industrial Association was organized in Des Moines, Iowa in 1894 for the above declared purpose there was country wide interest in Henry George and his single tax as well as in the prospect of greatly increasing man's productive capacity by cooperative effort. The constitution adopted by the newly formed corporation, it was anticipated, would be found attractive to many who favored either or both of these then widely popular movements.

"Membership was offered to all acceptable applicants subscribing
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to at least one share of capital stock with a par value of \$200.00 and authorization was given for issuance of 5,000 such shares. It was anticipated that wide support would be forthcoming with a resulting purchase of stock in sufficient amount to provide a land fund adequate to purchase a considerable area of productive land capable of insuring the economic success of the venture.

"Singletaxers and other reformers did evidence an interest in the proposal. However, this interest, for various reasons, failed to materialize into more than a trickle of subscriptions for shares of stock. Despite the slow appearance of funds a location committee was dispatched. With the reduced prospect of available funds for land purchase sections that would give greatest promise of economic success could not be considered.

"The result was the selection of the present site of Fairhope on the Eastern shore of Mobile Bay. Here the land was submarginal and could be secured for the payment of a quite modest speculative price. With less than one thousand dollars in their land fund when the colonists arrived the hope of securing a large block of land had to be abandoned.

"Some who had come to join in the experiment decided at once that the prospect of success was too slim. Others were attracted by the low price for land and used the money which they had been expected to purchase stock in the colony to buy land for themselves. These and other factors brought so many defections that only a half dozen families were present to move onto the first purchase of colony land.

"The productive effort of colonists applied to Fairhope land demonstrated its submarginal character. The mild climate, as compared with Iowa and Minneapolis, whence came some of the colonists, the bay and other natural attractions and the devotion to their principle, from which they probably expected too much, gave sufficient encouragement to some to hold on."

"Having demonstrated that the wealth producing capacity of Fairhope land was not sufficient to maintain even a moderate standard of living the colonists sought other means of livelihood. They could not turn to other forms of productive employment for there were none in the immediate area. Elsewhere in nearby sections the irregular opportunities for employment were at wages of one dollar or less per 10 to 12 hour day.

"However relatives and friends of the colonists and many others employed on the more productive lands of northern states were being attracted to the south to spend the winter months. Others in Mobile, just across the bay, and its environs had long before found the Eastern Shore a most agreeable place to spend the summer months.

"It was these and others who

with sufficient savings to support themselves in their declining years that furnished Fairhope with an economic basis for its continued existence. Land was in demand for homes, hotels, rooming houses, rental accommodations, stores, professional offices and all the services demanded by a residential community.

"With land speculation curbed by Fairhope's application of the single tax to the colony owned land, the already established summer resort business began to gravitate to Fairhope and the newly developing winter resort business tended to center in Fairhope.

"The ninety-nine year leases the colony gave to those who created homes and business buildings on their leased land provided for annual reappraisal of the rental value of the land. This provision insured Fairhope of an ever increasing return from its leased land. The funds so derived provided public improvements and services of a quality and to an extent far greater than any of the neighboring and older communities.

"For many years Fairhope's economic base was furnished by its resort business and its facility to provide a haven for the retired. This limited and somewhat meager base was happily broadened in the early part of the past decade when greatly improved highway transportation facilities and an expansion of industrial development in Mobile opened to those living in Fairhope a greatly expanded field of opportunity for gainful employment.

"The result has been a greatly stimulated growth. Fairhope's population increased from 1,845 in 1940 to 3,354 in 1950. This Fairhope increase of 82 per cent compares quite favorably with an increase of 27 per cent for the entire county.

"The boundaries of the present municipally incorporated City of Fairhope embrace much more than the colony owned urban land. However the Colony land, about one-fifth is by far the most intensively developed. A city directory compiled in 1954 shows that 3,117 of Fairhope's white population of 3,705 reside on Single Tax Colony land. The county assessor's record for 1954 shows the City's assessed value of taxable property to be \$2,297,980 with the Colony accounting for \$1,372,380, 59.72 per cent of the total.

"The first land purchase of the Colony was about 135 acres for which they paid \$771.00. In plating this land for the use of the colonists the entire bay frontage consisting of twenty-five acres was re-

served for common use as a bay front park. With the exception of about twenty additional acres including a cemetery reservation and gullied land unsuitable for use the balance was platted into twenty village blocks with generous allowance for streets.

"Today the land in these twenty blocks is all leased and occupied. In addition to furnishing sites for a considerable part of Fairhope's compact retail business district it furnishes residence for about 600 and in 1954 produced public revenue in the form of ground rent to the amount of \$23,778.28.

"By comparison with all its neighboring communities it would appear that the purpose of the founders, 'to establish and conduct a model community' is being achieved. Full credit for success must be attributed to the application of single tax principles. The cooperative institutions for which provision was made in the Colony constitution did not produce the beneficial results anticipated. With the exception of water, electric, gas and sanitary sewer utility services, owned and operated by Fairhope's municipal government, all production and distribution of goods and services is provided on a competitive basis by private enterprise.

"The Fairhope Single Tax Corporation, successor to the Fairhope Industrial Association, now owns exclusive of streets, about four hundred acres of urban land and between three and four thousand acres of country land. In 1954 the rent charges on the urban land amounted to \$68,964.00 and on the country land to \$8,606.08."