

Fairhope Single Tax Corporation

QUARTERLY REPORT

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President's Message

Three-and-one-half months ago, the membership of the Fairhope Single Tax Corporation elected new officers to head the corporation. This has required the Secretary and President to not only carry on the daily business, but to become acquainted with all records and files and to make sure that all previous commitments are carried through.

To date, all taxes have been paid and the records in the FSTC are up-to-date with the Tax Assessor's office and the Tax Collector's office. This is due to the work of the prior administration and to the follow-up which has been going on. To those who have not realized what the changes in the county, state, and federal law have meant, it would appear that little was changed. This was not the case. Every lease was affected, and work had to be done by the FSTC with the county on each piece of property and information supplied on the improvements.

There was a meeting of the members and lessees held March 27th. The program included questions, answers, and suggestions. All elements of the meeting are being considered as to the values of the expressions placed before the meeting.

Effort is being made, with the assistance of the corporation lawyer, to bring all past due rents up to date. This is being done in order that all lessees and the corporation will be up-to-date, in accordance with the provisions of each lease.

Plans are going forward to repair the windows of the office building and to make other needed repairs.

All in all, it has been a busy and interesting three months in the life of the FSTC.

William C. Lucey

Record Number of Lease-Hold Transfers for First Quarter, 1980

The Fairhope Single Tax Corporation received 42% more applications for lease-hold transfers in the first quarter of 1980 than in the same period for 1979. Applications totalled 37 for the first 90 days of 1980, all of which have either been approved or are under consideration.

There were 26 applications during the same period in 1979, and 27 during the first quarter of 1978.

The 1980 total represents a record number in recent years for the first quarter, reflecting increasing real estate activity in the Fairhope area, and increasing interest in the purchase of FSTC leases.

Director of Henry George Institute to Visit Fairhope

Joseph Jespersen of Flushing, N. Y., a director of the Henry George Institute of New York City, will visit Fairhope June 4th through June 8th.

Mr. Jespersen has long been a student of Georgist economic principles, and has met members of the Corporation at various Georgist conferences. He has recently read *Fairhope 1894-1954* by Paul and Blanche Alyea. He wants to visit us for an update on the Fairhope Single Tax Colony and the Corporation, covering 1954 to the present.

We welcome this visit from a distinguished Georgist.

New Officers Elected

The FSTC annual elections were held February 7, and the results of the vote are as follows:

Elected to the office of President, William C. Lucey; Vice-President, John Wienand; and Secretary, Gale W. Rowe.

Thomas H. Brown was re-elected to the post of Superintendent of Industries and John S. Parker was elected to another term as

Superintendent of Health.

Bart H. Jennings, Jr. and Allan C. Hoffman are joined by Ernest M. Bailey as Trustee.

Positions not up for re-election and carried over into this term are: Robert G. Mason as Superintendent of Lands and Highways; Charles W. Ingersoll, Superintendent of Public Service; and Frederick J. Boone, Treasurer.

March 27 Lessee Meeting Reviewed

About 100 people attended the third in a continuing series of meetings between corporation officials and lessees. It was held in the Organic School Auditorium Thursday evening, March 27th.

During the meeting, reports of major public improvements to be financed totally or in part by the Fairhope Single Tax Corporation were discussed, including road improvements and improvements in the downtown area.

President William C. Lucey stated it was necessary to form two economics classes, due to the unusually large turn out this spring for the economics course offered twice a year by the Corporation.

Lucey also announced that 14 members have joined the Corporation since the November lessees meeting.

Questions from the lessees, both written and oral, were fielded by the Corporation officers and topics noted for further consideration.

After the question and answer session, a movie on economic theory was viewed. The meeting closed with the serving of refreshments.

Notice to All Lessees

All first-half 1980 economic rents were past due as of April 1. Please pay these rents promptly if you haven't done so already!!

Thanks!

Henry George on the Single Tax Principle.

From: *Progress and Poverty*, Book IX, Chapter 1, pages 433, 434, 435.

The elder Mirabeau, we are told, ranked the proposition of Quesnay, to substitute one single tax on rent (the impot unique) for all other taxes, as a discovery equal in utility to the invention of writing or the substitution of the use of money for barter.

To whosoever will think over the matter, this saying will appear an evidence of penetration rather than of extravagance. The advantages which would be gained by substituting for the numerous taxes by which the public revenues are now raised, a single tax levied upon the value of land, will appear more and more important the more

they are considered. This is the secret which would transform the little village into the great city. With all the burdens removed which now oppress industry and hamper exchange, the production of wealth would go on with a rapidity now undreamed of. This, in its turn, would lead to an increase in the value of land — a new surplus which society might take for general purposes. And released from the difficulties which attend the collection of revenue in a way that begets corruption and renders legislation the tool of special interests, society could assume functions which the increasing complexity of life makes it desirable to assume, but which the prospect of political demoralization under the present system now leads thoughtful men to shrink from.

Consider the effect upon the production of wealth.

To abolish the taxation which, acting and reacting, now hampers every wheel of exchange and presses upon every form of industry, would be like removing an immense weight from a powerful spring. Imbued with fresh energy, production would start into new life, and trade would receive a stimulus which would be felt to the remotest arteries.

To abolish these taxes would be to lift the whole enormous weight



of taxation from productive industry. The needle of the seamstress and the great manufactory; the cart horse and the locomotive; the fishing boat and the steamship; the farmer's plow and the merchant's stock, would be alike untaxed. All would be free to make or to save, to buy or to sell, unfined by taxes, unannoyed by the taxgatherer. *Instead of saying to the producer, as it does now, "The more you add to the general wealth the more shall you be taxed!" the state would say to the producer, "Be as industrious, as thrifty, as you choose, you shall have your full reward!"* [Emphasis added.]

New Members Approved in First Quarter 1980

The following people have been approved by the Executive Council for membership in the Fairhope Single Tax Corporation as of March 31, 1980:

Craig T. Sheldon
James R. Davidson
Rola Eddins Gooden
Leonard Oppenheim
Taffy Nelson Zadnichuk

One Single Taxer's View

The writer of the following letter is a prominent business man of Houston, Texas. He has recently plotted an addition to his city, advertising his lots and talking single tax at the same time, in quarter-page ads in the local dailies — and it was good advertising and good propaganda. On one of the lots he has built an oldfashioned log cabin, whose "latch-string" is "always out" to single taxers. He has visited Fairhope.

Dear Mr. Gaston:

I enjoyed reading your letter of Oct. 11th, in which you explain how you arrived at the rental rate on the land at Fairhope. The plan explained by you shows that Fairhope does not get the full rental value of its land. It seems to me that in order to carry out the principles of the single tax completely you should first place a money value on every piece of land in Fairhope, using as a basis the value of land in towns of similar size to Fairhope. On a lot that is worth \$500 to sell, that is, on a lot which in other towns of the size of Fairhope would sell for \$500, you should assess a rent of not less than six per cent, which is the average interest paid by people who borrow money with which to buy land. Many people pay as much as ten per cent. Some get it for

eight per cent, but a responsible man who can furnish proper security can get a reasonable amount of money at six per cent. Therefore I take this rate at which Fairhope should tax its land at the lowest rate of interest which is current in the south. This would make the tax on a lot valued at \$500, thirty dollars per year. It seems that you only get about \$15 per year for such lots, therefore I think that you do not tax the land in Fairhope high enough to produce the results which we single taxers claim would accrue from the establishment of the single tax. I cannot understand how any unselfish man can complain at the rent rate in Fairhope. [None does. Ed.]

Of course it is not possible to get exact justice, but the Colony of Fairhope is not receiving justice from its tenants, by a long shot. Raise the rent rate by all means and use this money to pave the main road from the bay to the extreme limit of the Colony land. If you have any money left use it to build a water works. These improvements will attract new comers to Fairhope and will build up your city at an astonishing rate, notwithstanding the wailing and gnashing of teeth of those residents who want to appropriate to their own use the unearned increment of the land.

Yours Very Truly,
Houston, Texas J. J. Pastoriza.



Yet Another Single Taxer's View

Back in 1973, Mr. Cicero D. Snow sent us a copy of the following letter which he had addressed to a Professor of Real Estate at Auburn University. We're not sure today what prompted the Professor's original request for information on the FSTC, but Mr. Snow's answer is an excellent graphic example of the savings accrued from an arrangement such as ours. (Mr. Snow since passed away, December, 1974.)

September 18, 1973

Professor of Real Estate
Auburn University
Auburn, Alabama

Dear Sir:

In reply to your request that I comment on the Fairhope Single Tax Corporation I would like to say that I came to Fairhope in 1953. Soon I purchased a house and took a lease

Fairhope Single Tax Corporation
336 - 340 Fairhope Ave.
Fairhope, AL 36532
Return Requested

to the 70' x 132' lot on which it stood, the improvements costing a total of \$6,000.00. At the present time the lot would be worth approximately \$4,000.

The interest on the \$4,000, which I do not have to have invested, at 6% would amount to \$240 per year. The present rent I pay on my lot is \$76.60 this year. My taxes amount to \$53.43 and are paid by the Corporation from my rent. I would have to pay these taxes no matter what property I held so the net cost in rent is \$23.17 per year and that subtracted from the interest on land investment money would leave a net gain to me of \$216.83 per year. It would seem I am being paid to live on my own property.

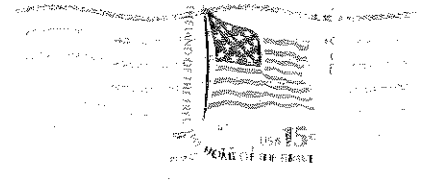
In addition, the amount of rent paid above the taxes is used by the Single Tax Corporation for public improvements and needs of the community, with no part of the income going to the members of the corporation as return on investment in any way, only for services actually performed.

Also the corporation provides free burial space for its lessees and

has provided over 60 acres of public parks along the Bay front for the City of Fairhope. It has also been the main support of the Public Library and aided the local schools. This helps make Fairhope a wonderful place to live.

This gives a brief summary of my experience with the Fairhope Single Tax Corporation. I hope it will be of help to you.

Sincerely,
Cicero D. Snow



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