

Value Of Improvements: Key To Colony Transition

by Mark Johnson

"You can't stop progress!"

This familiar cliché has grown to be one of the taken-for-granted Truths of our technological age. For many, it has taken on all the unquestioned legitimacy of a proverb.

Still, it is really quite a radical viewpoint considering the number of farm houses, wheat fields and Victorian mansions which have given way to railroads, super-highways and airports, all in the name of "Progress".

When we find our own homes and property "standing in the way of progress", it is hardly any consolation to be reminded that our personal sacrifice is somehow for the Greater Good of the community at large.

Yet, consolation or not, each year all across this nation more new airports are built on the site of somebody's former cornfield. Vast lakes of concrete are poured over ancestral farm land which was cleared of rocks and tree stumps by Great Grand Dad using a pick-axe, a shovel, a yoke of oxen and as much daylight as the Good Lord would allow.

Sometimes the state's power of "eminent domain" is exercised; sometimes urban expansion (or "renewal") puts the pressure for change on older patterns of land use. Either way, money is the tool

which pries people out of their complacency just as surely as ox-power pried out all those stumps.

The key word, in this case, is M-O-N-E-Y.

The less restricted the money flow, the more susceptible an area is to change.

Therein lies the rub for Fairhope's Single Tax Colony and everyone connected with it.

a product of the community and cannot be credited to the virtues or efforts of any one person — even the leaseholder.

Land "potential" translates out as "site value" in the Single Tax lexicon.

It is the preservation of this key Single Tax principle which (a) drives Corporation officials to raise the annual rent on rural land toward

the leasehold changes hands for a price which is based solely on the value of "improvements". Legally, that is all the former lessee has for sale.

Thus by adhering to its guiding principles, the Corporation advocates changes in rural land use and, at the same time, keeps a firm rein on the one thing which can bring its own goals to fruition:

rents. Had they done so, it would not have been necessary to raise rents as drastically as they have in the past five years. Rents would be the same as they are today, these officials claim, but the increases would have been more gradual and the pressure for change would have been easier to work out than they are now.

However, high rents are now a fact of life for many rural lessees, and, like it or not, they are having to explore ways of getting rid of most of all of their leaseholds. Goaded on by one principle of Single Tax theory, they run smack dab into another one: the sale of "improvements".

The Highest Bidder?

Let's say I lease a plot of Colony land on an increasingly busy intersection. For the past ten years I have been, oh, raising rare, exotic herbs and wholesaling them to Chinese restaurant suppliers all over the Southeast.

The rent on my land has been increasing at the same logarithmic rate as the federal statutes which restrict the sale of more and more types of herbs I can sell. Finally, I am forced to go out of business. I have to sell my leasehold to — who else? — the highest bidder.

Let's say I have four potential buyers, each with a scheme for making money on my space.

Now none of these people give a hang for my greenhouse made out of two-by-fours and plastic sheeting, and they don't care about the organically rich soil or neat terraces I have built up over the past ten years. To them that's just junk they've got to bulldoze before they can use the site.

The only thing that seems to be standing in their way to acquiring the site are all of these people with vague, tedious explanations of the difference between "site" and "improvement" value. Still, they want the lease BECAUSE of its site value, and they are willing to sit patiently through any sort of Henry George lecture just to get their hands on that lease. If the price is right, they don't care if the Corporation office tells them

plot of deeded land right across the intersection just sold for \$6,000. So, I say that my improvements, i.e. my plastic greenhouse and terraces, are worth \$6,000. Most likely, the Executive Council is not going to go along with that even if one of my buyers is willing to pay it.

That would be cashing in on "site value". They refuse my proposed sale and we go into round 2. A couple members of the Executive Council have already driven out to my leasehold and looked it over; one way or another, they finally get around to telling me what they think would be a reasonable price for my "improvements" (which we all know are totally useless to the buyer anyway). Most likely it's going to be

there, one time-honored solution has been the old Money Under The Table trick. In the presence of Corporation officials, I would "agree" to sell my lease for a smaller amount and take the rest of my price on a prearranged verbal agreement with the buyer. This is not only illegal, but it too has its limits. It is certainly discouraging to the buyer. Either it just adds to his confusion about this Single Tax business, or — if he finally grasps what is happening — he'll wonder "How am I ever going to get my money out of this deal if I have to sell?" According to Corporation officials, some buyers have refused to pay rent because they thought they had already "bought" the land from the former lessee.

Generally, lessees have come to regard 'improvements' as a catch-all term for getting their investment of labor and operating expenses back out of their years on the land. Unfortunately, this is not in keeping with Single Tax principles which promise only use of the land for income, not investment...

In The Middle

The corporation which manages the Colony's assets places itself squarely in the middle of the money flow. Seeking to uphold the principles of Single Tax theory, they must maintain vigilance over two areas of possible abuse: (1) they must not allow land potential to be wasted, and (2) they must see to it that land potential is not sold for profit. According to Single Tax doctrine, the potential of a certain piece of property is equivalent to the wealth it could produce if managed efficiently. This "potential" is

which the city is creeping, and (b) entangles them in a complicated regulatory process which restrains lessee bargaining powers and alienates many potential buyers.

The Corporation's power to raise rents to "full site value" aims at an efficient and fluid use of land assets. It recognizes the ever-changing nature of community land values. Riding herd on all sales is equally important from the standpoint of Single Tax principles, but it counterbalances the fluidity of transition with red tape. The Corporation must insure that

money.

Who gets caught in the squeeze?

The lessees claim they do. Over the past several years, rent on some rural land has skyrocketed as Corporation officials have purported to bring the semi-annual assessments up to a figure in keeping with "full site value". In fact, it is a persistent assertion among Corporation officials that one of the main reasons they are drawing so much fire these days is because of corporation failures in the past to adhere to their principles when figuring

...But land doesn't farm itself, and the lessees feel that their years of labor ought to be worth something when it comes time to settle up and make room for progress...

they're buying ONLY my "improvements", my "interests" or my complete collection of National Park commemorative plates. The buyers only know that if they give me enough money, I will go away.

For the sake of discussion, let's say that an analogous

considerably less than \$6,000. I'm going to tell them their appraisal is too low. They're going to launch into yet another explanation of "site" vs. "improvement value".

Round 3 starts when the interested buyer wades into the melee trying to figure out what the hang-up is. From

Generally, lessees have come to regard "improvements" as a catch-all term for getting their investments of labor and operating expenses back out of their years on the land. Unfortunately, this is not in keeping with Single Tax principles which promise only

(Continued On Page 3-A)

Support Your Chamber Members - They Support Our Community

commitments mean that men with civilian orientation have firm control of the Soviet military forces as long as the present regime lasts.

Its tenure is by no means iron clad despite Mr. Brezhnev's current strong position. Marxist history is replete with examples of strongmen toppling from their pedestals soon after they attained them, particularly if they sought to ennoble themselves by establishing personality cults. And there can be no doubt that waves of adulation for Brezhnev are rolling through the Soviet Union, probably inspired by the Politburo itself. Brezhnev is deliberately being made into a hero to the extent that a bronze bust of him has been placed in his home town, the first such sculpture since STALIN.

All of these activities have a bearing on the free Western world.

attempting to organize the world into a new empire in which the Soviet sun never sets," ideologically, diplomatically, economically, financially, politically and militarily.

Undoubtedly it is, but then it has been for some 60 years regardless of the complexion of its government or the nature of its strategy. The difference today is that the bait is honey instead of vinegar.

The point is that it is in the security and economic interests of the free world to have the Soviet Union engage in world affairs and be responsive to world opinion.

And whatever leadership checkers are under way in Moscow, the fact remains that Russia, which also wants to be on the world stage, cannot emerge as a world power without help from the capitalistic West. That Soviet weakness is the strongest trump card that we hold.

The Shah of Iran is probably the world's most pompous ruler. He is a megalomaniac, with a grandiose air. He has squandered his nation's oil billions upon his dreams of glory. His throne, appropriately, is called the Peacock Throne.

To feed his ego, he lures famous people to Iran by throwing lavish parties and paying all their expenses. He just brought a jet-load of celebrities, including actress Elizabeth Taylor, to Teheran, for example.

Secretary of State Henry Kissinger has courted the Shah assiduously. Kissinger looks upon Iran as a guardian of U.S. interests in the Persian Gulf. He wants to make sure that the fabulous oil fields of the Persian Gulf remain under friendly domination.

He tries to manipulate the Shah by flattering him. Kissinger writes letters to the Shah, for example, which our sources describe as positively obsequious.

But we have had access to some disturbing intelligence reports on the Shah. These warn that his authoritarian rule and imperial airs are alienating his people.

The secret reports describe the Shah as dangerously isolated and aloof. He has also lost most of the experienced elder statesmen who once dared to question him and offer advice he didn't want to hear.

The Central Intelligence Agency has compiled a psychological profile, which suggests that the Shah is really insecure behind all the outward imperiousness.

His psychological problems,

according to the study, go back to his childhood. His father, the Reza Shah, had an explosive cossack temperament and had little patience with his son. The junior Shah was also a sickly lad, given to daydreaming.

One time, the old man came upon the boy standing beside a palace pool. The father asked the boy what he was doing. The boy replied: "thinking". Thereupon, the senior Shah uttered a roaring curse and booted his heir into the pool.

CIA psychologists believe that the Shah's cruel father, his years as a pawn of the West and his fear of impotence contributed to an enormous inferiority complex. Now this insecure man, showered with oil billions and bolstered by the United States, is determined, according to the psychologists, to show the world.

Pill Pushers: The Drug Enforcement Agency is preparing to use computers to catch doctors and pharmacists who prescribe drugs for the black market.

Across the nation, many supposedly respectable doctors are abusing their prescription powers. They write phony prescriptions for amphetamines and barbiturates. The crooked physicians sometimes work with crooked pharmacists, who order massive stocks in order to fill the phony prescriptions.

The result has been to flood the streets with illicit pills. These pills, contrary to popular belief, cause more deaths than heroin. But the doctors make huge profits on this dirty business.

To catch them, the Drug

Enforcement Agency will combine two computer programs code-named Dawn and Arcos. These will analyze the available "street intelligence", pinpoint what drugs are common in an area and identify the physicians and pharmacists who handle large quantities of these drugs.

The DEA ran a pilot project in California to test the new system. It turned up one prominent physician who had issued illegal prescriptions for over 200,000 dangerous amphetamine pills.

Fiscal Fracas: Israeli-American relations have been jarred by a squabble over money. Israel asked for an extra \$550 million to cover the three-month gap caused by moving the new fiscal year back from July 1 to October 1.

President Ford turned down the request. The Israelis then brought pressure on Congress to grant the \$550 million anyway. In Tel Aviv, the outspoken American Ambassador, Malcolm Toon, called this "dirty pool". And back in Washington, the President threatened to veto the foreign aid bill if it included the extra money for Israel.

But Israel's Premier Yitzhak Rabin claimed he had been promised the money during his January visit to Washington. He had the word, he said, of Secretary of State Henry Kissinger.

We have obtained some confidential documents about the \$550 million squabble. At a secret White House session, the question came up twice whether a commitment had been made to give Israel the additional \$550 million. And twice, the President repeated

by Jack Anderson



flatly: "Absolutely none."

The President used strong language at the session. "I cannot justify that much for three months," declared the President, "when every military adviser says they don't need that much. I have no alternative. I can't justify that huge sum to the American people."

The President went on to add, according to the confidential minutes: "We're helping Israel in some very sensitive areas and, if you look at their military situation and shopping list, they're in much better shape than before the Yom Kippur War."

We have seen the secret reports on U.S. aid to Israel, and report that the United States has supplied Israel with some of the most sophisticated

items in the American arsenal, including the latest tanks, armored personnel carriers, fighter aircraft and missiles.

Surprise Package: We were the first to report that the Postal Service's new-fangled bulk mail machines were mangling packages. Postal workers have made an heroic attempt to salvage some of the packages and rewrap them.

But a Brookline, Mass., woman has a complaint. She mailed a copy of Irving Howe's book, "World of Our Fathers", to Toronto, Canada. The package arrived at its destination, somewhat belated. But the package no longer contained the book. The recipient found, instead, a small plastic bag containing five white bras.

Readers Write

I appreciate the letter last week decrying the people who walk their dogs on the beaches. I heartily agree. However, from my standpoint, there is a far worse problem in Fairhope and that is people who, in spite of a city ordinance, allow their dogs to run loose.

In my neighborhood, dogs roam the street, sometimes in packs of three or more, most of them harmless to be sure. But, just as there is a mob psychology among people, there is also one among dogs.

Dogs, following a female in heat, have had fights on my front porch. Just yesterday, a dog jumped the four foot fence surrounding my back yard

and attacked my cat and injured her. At night the howling of dogs wakes me regularly.

My own dog is confined within a fence, and when outside of his own yard, is on a leash. This I do for his protection but as a good citizen I believe that every dog owner has this responsibility. My cat, true, can climb the fence, but if she is left unmolested, will stay in her own yard.

I am sending a copy of this letter to the City of Fairhope with a request that the applicable city ordinance be invoked.

Sincerely,
Jean Smith

Eastern Shore Courier

P.O. Box 549

Phone 928-2321

"Serving The Entire Eastern Shore Area"

Entered As Second Class Mail Fairhope, Alabama 36532
Published Every Sunday and Thursday at 325 Fairhope Ave.

SUBSCRIPTION RATES:

In County - 3 Mos. \$3.00; 6 Mos. \$6.00; 9 Mos. \$9.00; 1 Yr. \$10.40;
Outside County- \$12.00 per year.
Baldwin County Senior Citizens (62 yrs. or older) \$5.20 yr.



Robert J. Bousson
Debi Breedlove
Mark Johnson
Kathy Mirabile
JoAnn Ferguson

Publisher and Editor
Associate Editor
Staff Reporter
Advertising Manager
Advertising

Your "Home Town Newspaper"
Published and Printed In Baldwin
County by Baldwin Countians.

High Court Rules Against Single Tax Corp. Revision

by Mark Johnson

Officials of the Fairhope Single Tax Corp. were notified early Wednesday morning through their attorney that the Alabama Supreme Court had tendered an unfavorable opinion on a bill currently in committee in the Alabama House.

Introduced by Rep. Dan Kinsey of Foley, the bill called for amendments to the charter of the Fairhope Single Tax Colony which would have accorded full membership and voting rights to all lessees currently paying rent on land within the Fairhope Single Tax Colony. The bill was sent to committee

pending an opinion from the Alabama Supreme Court as to the bill's constitutionality. In this sense, the bill was a "trial balloon" designed to probe the legal parameters of a rent relief campaign being waged by a number of dissatisfied lessees.

In response to the request for a legal opinion filed by Rep. Kinsey along with his bill, the Supreme Court answered "yes" on both counts as to whether the proposed legislation would infringe upon Corporation constitutional rights of due process and protection from impairment of contracts.

Rep. Kinsey also received notification of the Supreme Court opinion on Wednesday and said that neither he nor Sen. Dick Owen of Bay Minette were planning any immediate response to this latest development.

"We plan to wait for the recommendations of the Legislature's special investigative committee before taking any further action," Kinsey said. Committee sources have reported in the past that the investigative body was considering an arbitration board and some sort of rent control board as two possible answers to dispute.

Improvements' Key To Transition

(Continued From Page 1-A)
the land for income, not
ment.

That's pretty much where
many lessees are today. They
have not been making
property payments as such.
They have been paying rent.

After 20 or 30 years, they have
no equity as bargaining
leverage. They have only
whatever "improvements"
they can justify to the
Executive Council.

Of course the whole concept
of "equity" would be abhorrent

in a Single Tax universe.
Equity is one of the clouds that
keeps the Little People from
using the land; it is one of the
locks which keeps control of
the land forever in the hands
of the wealthy.

In fact, the very absence of

equity actually enabled many
of the current lessees to
assume control of the acreage
they now have without having
to be filthy rich.

Many of them have served
out "caretaker" terms by
managing the land as it came
to them; cleared, with
existing houses, barns and out
buildings, and in all respects
ready to farm.

But land doesn't farm itself,
and the lessees feel that their
years of labor ought to be
worth something when it
comes time to settle up and
make room for progress. After
all, nobody is starting another
Single Tax Colony just down
the road; the rest of the U.S.A.
is on deeded land.

It's a thorny problem, and
right in the middle of it all is
the Fairhope Single Tax
Corporation. If the Corpora-
tion is to remain credible as a
management vehicle, it must
remain true to the Henry W.
George principles on which it
was founded. If it is to remain
credible as a regulatory th
go-between, it must insure
that everyone involved under-
stands just what Single Tax
theory is all about. ri
That will not be easy. se