FAIRHOPE, ALA., WHERE THE SINGLE TAX IDEA IS PRACTICED.

J. Bellanger, one of the members of the council of Fairhope, Ala., the only single tax community in the land, is in New Orleans on a business trip, and yesterday he talked most interestingly of the settlement to a representative of the *Picayune*.

"Fairhope," he said, "is on the eastern shore of Mobile bay and about fifteen miles from Mobile. It has a population of about 200, and every soul in the community is contented. The town is run as a joint stock company and is capitalized at $5,000. The idea which gave birth to it was not to make money, but to test the efficiency of Henry George's single tax plan. The test has been a success in every way. There are no rich men in Fairhope, but there are none poverty stricken.

"The Fairhope Company owns 1,200 acres. When it was organized and the land bought, the joint stock company plan was adopted as the only method to secure the operation of the single tax theory. The company owns these 1,200 acres, and leases its land to any applicant of satisfactory personality. The rental charged is based solely on the value of the ground leased, from the standpoint of site and productivity. The leases given are for ninety-nine years, so that the renters have a good hold on the land and no hesitancy about improving the property.

"The Fairhope Company pays all taxes out of the rents, except the taxes on moneys and credits. This plan makes the land values bear all the burden of taxation, and realizes the ideal of that great thinker, Henry George. No matter how many improvements a renter puts on the land he leases his rent is not raised. Suppose you buy a seat in the theatre. You pay a stipulated price for it and the management does not charge you any more whether you wear clothing or jewelry valued at a million dollars or attend in the plainest attire. After you purchase the seat, it makes no difference whether you attend at all or not, in fact. Just so with land. The land is worth no more with a house on it than before the house was built, unless there are other causes for an advance in its value.

"Fairhope owns all its franchises. It owns the town wharf, which is the source of considerable revenue. It built this wharf without a dollar. Instead of paying for the material and labor in money, it issued certificates entitling the holders to the use of the wharf after its completion in proportion to their contributions. Every one of these certificates has been redeemed already, and the company has drilled a public well and bought a steamboat, which plies between Fairhope and Mobile, on the same plan. As soon as the well is paid for the water will be free.

"There are in Fairhope four stores, a photographic gallery, a bakery, a livery stable, a hotel, carpenters and mechanics, and truck farmers. Truck farming is the principal vocation of the residents of the community, their produce finding a ready market in Mobile. The company is forbidden under its articles of incorporation from contracting interest-bearing debts. Of course, individuals cannot mortgage leased lands, and they are generally free from debts of any kind.

"In short," said Mr. Bellanger, "Fairhope is a living example of the single tax idea."

Mr. Bellanger is one of the members of the Fairhope Council, of which George Bancroft is president. His associates on the Council are Frank Brown, P. A. Parker, William Call, and Nathaniel Mershon.

"I believe," said Mr. Bellanger, in conclusion, "that the Fairhope Company will have to extend its scope very soon, so popular has its system proved. The company has already secured options on a great deal of additional land, and its purchase is only a question of time."—New Orleans *Picayune.*

SPEECH OF LAWSON PURDY AT ALBANY, AND THE RESULT.

The Senate Committee on taxation and retrenchment on January 21st gave a hearing on the bill to tax foreign corporations for the privilege of doing business in the State. Among the chief opponents of the measure was Mr. Purdy, secretary of the New York Tax Reform Association. Mr. Purdy said in substance:

"This bill might well be entitled 'an act to drive foreign corporations out of the State and keep them out.' It proposes for the first time in this State to apply more onerous rules for the taxation of foreign than of domestic corporations. It changed the basis of computation for both the original license fee and for the annual tax from the amount of capital of the corporation without regard to its situation. For the privilege of doing business in this State it imposes a tax of one-eighth of one per cent. on the entire capital stock of a foreign corporation. In addition to the taxes now paid, which are at present equal in their operation on domestic and foreign corporations, it imposes a tax of one-tenth of one per cent. on the entire capital of foreign corporations up to the sum of ten million dollars, and the sum of one hundred dollars per million on the amount of capital stock in excess of ten million dollars.

"A fair method of taxing foreign corporations in this State would also be fair for every State. If every State imposed a like tax on foreign corporations it would cost a company with a capital of ten millions or less about five and a half per cent. of its capital to obtain the right to do business throughout the United States, and would cost it about four and a half per cent. per annum to continue to do business. This tax is obviously prohibitive to business by corporations throughout the United States.

"The imposition of the annual tax without regard to the amount the company employed within this State produces some rather startling results. I have taken a few corporations in their alphabetical order as they appear in the comptroller's report for 1901, without attempting to pick out striking examples. The American Cotton Company now pays $65 a year. If this bill becomes a law it would pay $7,000 additional. The American Cotton Oil Company now pays $1,272.94. It would pay in addition $11,479. The American Ice Company pays $5,700, and would pay $15,000 in addition. The American Smelting and Refining Company now pays $30,875. It would pay $29,000 in addition. The American Thread Company now pays $30. It would pay $10,200. The American Type Founders Company now pays $187.50, and would pay in addition $4,000. The International Power Company evidently has very little property in this State, for it pays only $32.21. It would pay $8,000. H. B. Claflin & Co. apparently have most of their property within this State, for they pay $7,228.63. They would pay an additional tax of $9,000. The Sugar Manufacturing Company has most of its plant in New Jersey and Scotland, yet it pays $7,672.50. Because it is incorporated in the State where most of its capital is employed it would be obliged to pay $12,000 more.

"This bill is apparently an attempt to force all corporations that wish to do business here to incorporate in this State. That it would have the contrary effect is certain, for no corporation that valued its existence would wish to submit itself to the tender mercies of a legislature that could enact such a law.

"The attempt to coerce foreign corporations into paying a license fee by making their stock taxable in the hands of individual owners might be a crushing blow to defenseless and ignorant persons, but it cannot accomplish the object for which it is designed. This bill may be within the letter of the Constitution, which forbids the State to deny to any person the equal protection of the law, but it certainly is not within its spirit, nor in accord with the comity which should exist between the States."

THE RESULT.

Although the Krum Corporation Tax Bill was one of the measures suggested in Governor Odell's message, he has very wisely killed it with his veto, on the ground that there is so much doubt about its legality that if enacted into law it would provoke litigation. It is evident that the argument upon the unconstitutionality of the bill made by Mr. Lawson Purdy in behalf of the New York Tax Reform Association had great weight with the Governor. If the Legislature would intrust to the Tax Reform Association the work of drafting its bills relating to taxation, it would free itself from the responsibility of a task always beyond its powers, and an intelligible system would presently take the place of the existing chaos.—N. Y. *Times*, April 13th.

"OUR TOM."

Tom L. Johnson, the roly-poly Mayor of Cleveland, multi-millionaire, former congressman and ex-street railway and steel magnate, probably receives more personal letters than any other man in Cleveland, and on a rough estimate half of them are addressed to "Mr. Thomas L. Johnson." People will never learn that Mayor Johnson's Christian name is plain Tom, and not Thomas. About six years ago Robert P. Porter, former Director of the Census, undertook to show the journalists of Cleveland how to run a newspaper, by editing and managing the *World*. One of his first rules to his subordinates was this: "Never use a man's nickname in the paper unless you quote somebody, and then be sure and quote him right." Soon after this "General Order No. 1" was issued the name of Calvin S. Brice, late senator from Ohio, appeared in an editorial as "Cal" Brice. Porter leaped up the editorial stairs three steps at a time, fretted and fumed, and insisted that the next offender in the nickname line would lose his head. The next day some editorial writer had occasion to say some things about Tom Johnson, and he said them. The air about the *World* building was variegated for about five minutes, and the entire editorial force was in danger of being "fired" bodily. Mr. Porter talked so much about his orders concerning nicknames that the managing editor was unable to tell him that Tom was "Tom's" full name, and not Thomas, until the lapse of about ten minutes. Then the proprietor subsided—Pittsburg *Dispatch*.

Addressing the republican members this week, Mr. Johnson made the following comment on their attempt to fool the people:

"You scramble around picking up crumbs; you hunt over the State with a drag net; you go over it with a fine tooth comb; all to find Ohio interests to put a tax upon, while you allow the steam railroads and other public service corporations deliberately to escape the payment of $7,000,000 in taxes justly due from them. The party that will put that sort of scheme before the people is bound to be repudiated.

"The administration plan proposes to increase taxes on the steam railroads an additional one-half of one per cent. It will raise a possible $400,000. They say the railroads are satisfied with this. Why should they not be when they escape $4,000,000 in taxes with a payment of $400,000?"

John Doyle, a teamster, sent out less than a month ago for being drunk and beating his wife, was sent back to his cell. His wife, with a babe in arms and three more little ones hanging to her skirts, was at the door when he passed.

"Papa, ain't you goin' home with us?" wailed the little boy. The father stooped and kissed the child and hastily passed on. The Mayor did not witness this scene, but after all the others had been heard a spectator