

TWENTIETH CENTURY MAGAZINE

VOL. IV.

SEPTEMBER, 1911

NUMBER 24

FAIRHOPE THE FORERUNNER

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AS the world advances in civilization it becomes more and more evident that all departments of human activity must necessarily receive scientific development. Either upon truths of axiomatic clearness or upon facts demonstrated by experience, logical reasoning from cause to effect must be applied at every step in order to insure success. The day of guess-work in any line is past.

Indeed, civilization may well be defined as the scientific adaptation of natural forces to human needs. And it is everywhere recognized that weaknesses or imperfections in our civilization spring always from unscientific methods.

Those who are able to dispense with the more laborious experiments in scientific research and arrive at scientific results through intuitive processes, or the recognition of factors hitherto neglected, are hailed as men of genius, unless, perchance, their deductions supersede or interfere with unscientific systems that have become entrenched in custom, prejudice or selfish interests. In that case they are called dreamers, or perhaps cranks, agitators and disturbers of the peace.

Such a dreamer was Henry George. It was soon discovered that his theories would revolutionize business and destroy the elaborate system of vested rights built upon the basic principles of selfish interests that had asserted themselves at the beginning of industrial development. Therefore, notwithstanding the charm of his diction, the force of his logic and the sympathetic spirit in which it was presented, his work has received but scant recognition from leaders in the business world.

It was not against the details of this system that Mr. George found cause to object, but rather against the basic or fundamental premises upon which it had been established. However scientifically wrought out, no superstructure can be more firm than its foundation, and the corner-stone of the business world, the institution of private property in land, he found to be unsound.

What, then, were the axioms or truths upon which this dreamer or scientist chose to found his philosophy?

In the first place, he recognized fully the truth that God is our Father and His love is all-abounding.

The obvious corollary, that all men are

brothers, he also perceived; and his keen sense of human responsibility showed him at once that in the application of this corollary he would find the solution of the problem before him.

He had no proposition to prove, no interests to serve, save the claims of that brotherhood, and himself penniless and wholly unhampered by the so-called practical maxims of business, he set himself the task of finding the cause of and the remedy for that bitter poverty that deepens as wealth increases and everywhere becomes more intense as the activities of men augment.

With the true scientific spirit, and I might say moral spirit as well—moral because scientific—he determined to seek truth and follow where she led.

His investigation showed him:

(1) That the earth is the receptacle to man of the heavenly bounty to him, and that its usefulness to all men is the continuing blessing from the Father's hand to the succeeding generations of his children.

(2) That as population shifts, the

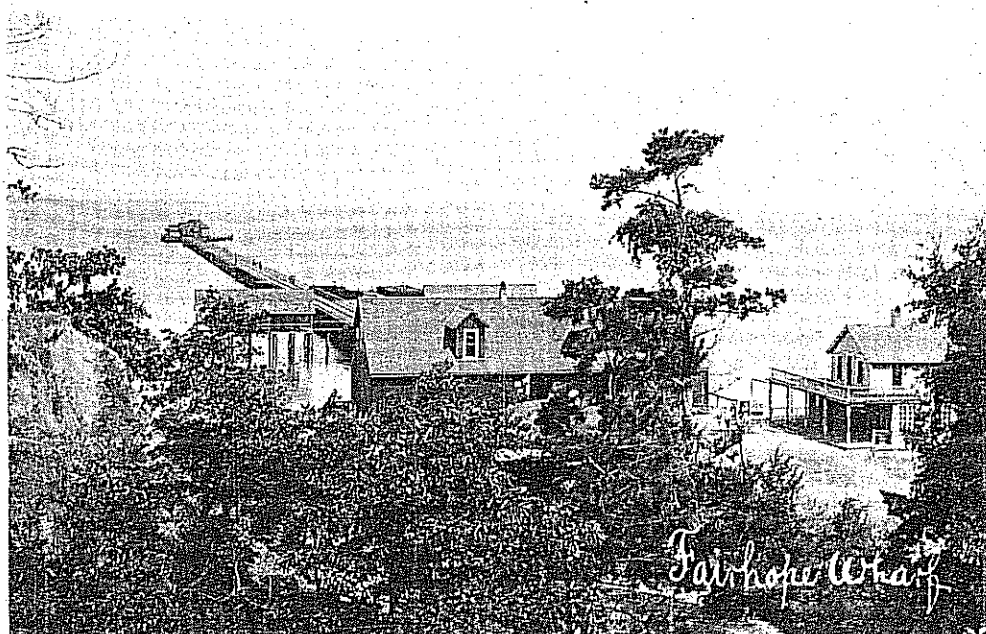
local values of lands vary, increasing wherever larger numbers make use of land, irrespective of ownership.

(3) That the institution of private property in the land that the public must use enables the owners to charge the users for its use, thus gathering to themselves the wealth created by all and making certain, as long as that relation exists, a ceaseless warfare of interest between the landless owners of labor and the laborless owners of land, to the constant disadvantage of labor.

Seeking for a remedy, he observed that the increase of population and human activity in any locality, while it brings a corresponding increase of land values, brings also a simultaneous need of public funds with which to provide public activities for the equal benefit of all.

This, then, suggested as a remedy the taking annually for public uses of all ground rents in the form of taxation, and making land the only form of property to be taxed.

Thus each who should hold land



FAIRHOPE WHARF



SCENE IN FAIRHOPE

would pay the public—the rightful owner, instead of the landlord—the nominal owner, the value of such private possession, and would be free from all other forms of taxation, thus changing *private property in land*, which is unjust to the users, into *private and permanent possession of land*, which is necessary to the user in order that he should make the most advantageous use of it.

This he saw would preserve perfectly the common interest of all men in the bounty of the Creator. And he saw, further, with the inspired vision of a prophet, that such a plan would, by the force of the logical sequence of events in the development of a new system, turn the tide of human aspiration away from selfishness and towards brotherhood.

In short, such a plan, without disturbing private possession of land as it now exists, without destroying existing titles that evidence the present rights of such possession, without creating any new machinery of government or business, and without interfering with the existing methods of making useful the activities

of men, would so distribute the results of those activities as to leave to the laborer the wages for his hire and turn from the landlord the unearned increment of value created by the public, and devote it to the common use of the public through public services.

To see a truth is to be possessed by it. In doubt and uncertainty one can make at least an arbitrary choice. One may follow the wrong path or perchance choose the right one. But when one sees the truth there is no alternative but to follow the guiding light.

The truth that George saw and proclaimed was heard by many. The torch that he uplifted was seen in many lands. And thousands took up the cross of a new crusade that shall rescue from the sacrilege of an infidel selfishness the holy land consecrated by God's loving-kindness to an all-embracing human brotherhood.

Some there were in Des Moines, Iowa, into whose hearts this truth burned until it consumed all other worldly plans and ambitions, and they set themselves



FAIRHOPE LIBRARY

the task of creating a working model that would, in some measure at least, demonstrate the economic justice and civic beauty of thus converting to the associated use of men the values created by their associated activities, while leaving in the hands of individuals the entire wage received for individual efforts. They had seen the truth and were willing to devote their life efforts to its exemplification.

As nowhere do the laws permit to men full local option in taxation, it was decided to meet the conditions of the law by shifting the burdens of taxation all onto the owner of some chosen tract of land, who should be a trustee landlord created for the sole purpose of paying all taxes and promoting all possible public utilities. In other words, a corporation was created whose function was to hold the title to lands as a land-owner, thus possessing authority to sub-let them to individual users, but under a charter that bound it to devote the net earnings from its lands to public uses.

It was assumed that such a landlord

could rent its lands for no more than renters would have to pay for such lands in the open market, while the lease contracts with the tenants should clearly bind the corporation to fulfill its obligations according to the professed purposes of the organization.

Accordingly, after much study and nearly a year of preliminary organization and work, a small body of settlers, less than a score, from Des Moines and elsewhere, assembled at the rendezvous previously chosen on the eastern shore of Mobile Bay, in the latter part of 1894.

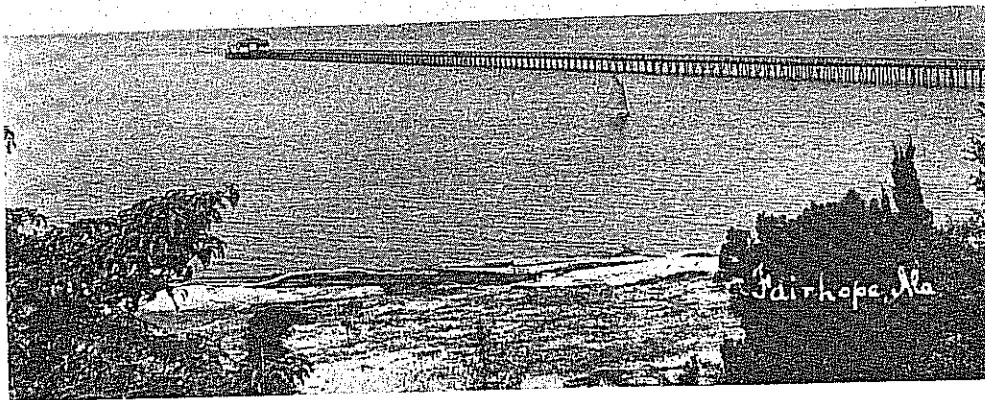
The writer, who was one of the charter members, did not find it possible to join them until nearly five years later.

The place chosen was selected:

(1) For its natural beauty of location and its proximity to the city of Mobile, one of the principal ports of the Gulf.

(2) Also because, situated on tide-water, it could never be put at the mercy of some dominating railroad.

(3) Many preferred a southern climate; moreover the undeveloped



PIER AT FAIRHOPE

resources of this section were being increasingly appreciated.

(4) Its climate made it an ideal place for a winter resort and its situation on the bay insured many summer tourists.

(5) It was thought that Southern sentiment might be more hospitable than that in the North to the innovation contemplated in our plan.

(6) And last, but not least, the purchase price of the land was conveniently inconsiderable. The future land values which we confidently expected to develop would show by contrast the merit of our plan.

In none of the points above mentioned have we found occasion to regret our choice. As to the last, I will mention parenthetically that some of our land in the business center of the town that cost us originally \$1.25 per acre now brings into the common treasury an annual ground rent of \$120.

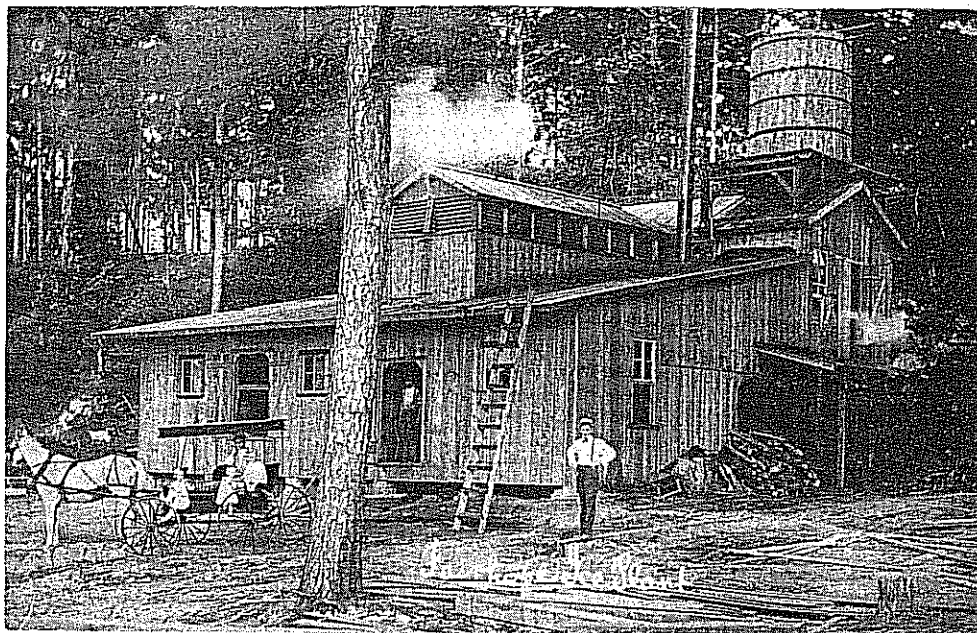
The land was secured by the sale of stock at \$100 per share, and by donations. One donor, Mr. Joseph Fels of Philadelphia and London, has con-

tributed about two thousand four hundred acres, so that we now have in all nearly four thousand acres.

The original corporation, The Fairhope Industrial Association, organized in Des Moines, Iowa, has been superseded and its properties taken over by the Fairhope Single Tax Corporation, chartered by a special act of the Alabama Legislature, at our request, and as proposed by our attorney, receiving on its passage, I am told, a unanimous vote. Under its provisions the joint stock feature was eliminated and a simple membership takes its place.

By our constitution we are forbidden as owners to receive any dividends on our interests or to enjoy any immunities or privileges in the use of lands, other than non-member lease-holders may receive.

The leases provide that the rents on the various tracts shall be adjusted annually by the executive council of the corporation and are intended to equalize the varying advantages of location and natural quality of the different tracts,



ICE-PLANT AT FAIRHOPE

and convert into the treasury of the corporation all that value that attaches to the land, not due to the labor or expenditure of the leases upon it.

The corporation on its part agrees to pay all taxes on the land and the improvements and personal property of the leases held upon the land, monies and credits excepted. It also pays all poll taxes and road taxes, so that the renter is entirely freed from tax burdens, except as paid in his rent. The corporation also agrees to devote any surplus after paying the taxes to public uses, for the equal benefit of all.

This method is not the Single Tax, but seems to be about as close an approximation to the actual effect of the Single Tax as can be reached by any device that can be used under the laws as they now exist.

The rent the user of land pays, of course, is determined by the law of supply and demand, but the public funds used for his benefit equally with others is augmented over ordinary tax levies by

that profit usually retained by the landlord.

Like the ancestors of the patriots of our earlier history, the settlers of Fairhope have been "poor but honest people." Their labor, thrift and enterprise have accomplished much, and her growth and prosperity have been continued though not rapid. Mostly from the North, they were unacquainted with the best methods available in Southern farming, and the soil has been found to require considerable quantities of commercial fertilizers, with the best kinds of which they were not familiar.

Nevertheless, in the fifteen years of her existence Fairhope has outstripped all other points on the eastern shore of the bay, whose beginnings were long before the War, and she has built the metropolis of the eastern shore on the identical site where capital in the olden days failed in an attempt to build what was to be called Alabama City.

Space will not permit me to mention in detail the distinctive features which mark her place in advance of most

villages of the South, similarly situated, but I will briefly quote from an interview of a visitor, printed in a Des Moines paper.

"It is the only community of note in that section. It is a winter resort for people of the North and a summering place for the moderately well-to-do of the larger near-by Southern cities. It is the only place in the section that rejoices in growth and development into something more than a mere settlement.

"Fairhope is the coming town of the eastern shore of Mobile Bay, and the prosperity it has enjoyed, in spite of the handicaps with which its people have had to contend, can fairly be attributed only to the underlying Georgian principles of access to land—the elimination of the speculator in real estate and the hindrance to monopoly in what all men must first of all have, to live and prosper."

Undoubtedly, Fairhope is making good in her demonstration of her principles. If she has not completely illustrated them, she can at least truthfully

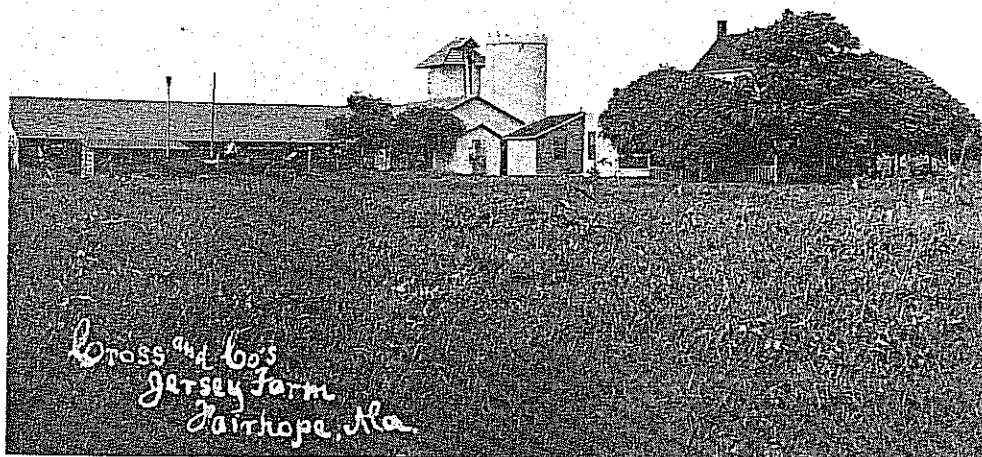
maintain that no experience that has been met in her work has indicated that one of her claims, nor one of the claims of Single Taxers in general, has been cast in doubt.

What she has so far done would be more convincing if it had been possible to have kept her work a little more clear-cut in character. To explain: She has many things in advance of other towns similarly situated, but among them all there is nothing but her telephone system, I think, that has been paid for entirely by ground rents. To that the individual users attach their own 'phones and bear one-half the cost of switching, or \$3 per year.

The trouble has been that kind friends have been too eager to patronizingly assist us to demonstrate the Single Tax, by carrying in part the expenses that should have been paid out of ground rents. The results were thus confused, so that critics, with more justification than we relish, point to the fact that donations as well as land rentals



A FAIRHOPE SCENE



A PROSPEROUS STOCK FARM AT FAIRHOPE

have been the sources of improvements that we enjoy.

It also diminishes our influence, for charity is not one of our proclaimed principles and should not be a necessary resort. It is hard for men with open and receptive palms to teach that self-reliance that should not only be the inheritance of every man, but the key-note of his education through life.

Once or twice the *Fairhope Courier* announced in its columns that it was not our policy to accept aid for any purpose but the purchase of land. Receipts given therefor were applicable to the purchase of membership. At one time an offered donation was actually declined.

But the habit did not become fixed, either in the policy of individuals or of the corporations.

Perhaps these things are not to be considered strange, for even the Israelites, the chosen people of God, on their way to the Promised Land instituted the worship of the golden calf, and ever since that day there has been no example more contagious than the habit of smil-

ing upon the lavishly liberal representatives of that popular deity.

Another trouble has arisen from the fact that all of the rent money, in excess of the state and county taxes, that had to be paid out of rent, had necessarily from the beginning to be spent by the landlord who collected it. It was a good landlord, to be sure, who was willing to spend it for all the people. However, that fact does not imply that its expenditure always pleased them.

Who knows better what the people should have than the landlord who is to pay the bill? Thus unconsciously questioned the good people who constituted the management of the Fairhope Single Tax Corporation. With equally active intuitional analysis, those who paid the rent assumed that since the unearned increment belonged to them collectively (a principle which they readily absorbed), and that the needs to be supplied were also theirs, therefore they themselves could best determine what should be done with the money.

To meet the case, the proper legal



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steps were taken, and the village community, including the village portion of the corporation lands, was incorporated into a municipality. Through that channel the people can gratify their desires and have the cost collected through additional taxes, which the Fairhope Single Tax Corporation cheerfully pays.

As this course widens the responsibility in public administration, it also widens the personal interest of the people in the public service and its management. In both respects it cannot fail to be a distinct advantage, but it remains to be seen with what harmony and wisdom the municipality will absorb the rents collected, and with what patience and public spirit the people will pay the rents necessary to meet the expenses which they incur. Practical difficulties will doubtless be encountered before the public functions hitherto exercised by the Fairhope Single Tax Corporation are all taken over by the municipality, but in that direction seems to lie the way of greatest promise. The

care of the streets and the public school have been assumed by the municipality, while the water-works, the telephone, the public library, the wharf and the parks are still administered by the Fairhope Single Tax Corporation. Economical use of these instrumentalities can, of course, be better secured under one administration, and as soon as it can be made practical they will doubtless be all transferred to the hands of the municipal authorities.

Meanwhile in all its aspects the experiment is a most valuable one to the student of political economy, who can here find in miniature all of the forces that will become active in the event of the adoption of the Single Tax and an earnest, at least, of its benefits.

Something, too, may here be learned of the difficulties that will be encountered in changing the point of view and habits of people long accustomed to the present system of land tenure.

Rightly planned and carefully conducted, such experiments as ours should be of inestimable benefit in solving the