# *A Simulated Single Tax:*

## *America's First 'Full' Rental Enclaves at Fairhope, AL and Arden, DE*

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Henry George disliked the idea of colonies established to "test" the single tax. He feared the smallness of such experiments might cause them to fail and detract from the acceptance of his philosophy.[1] Despite his wishes, George's followers set up more than a dozen single tax enclaves in the United States, Europe, Australia, and Asia.[2] Those at Fairhope, AL and Arden, DE—still presently active—provide important insights into the movement to replace all taxes with a single tax on the value of land at the turn of the twentieth century. While neither settlement continues to collect the full rental value of land, both derive all local revenue from land values and prohibit private ownership of land.[3] As such, Fairhope and Arden remain committed to the application of George's theory to the fullest extent possible under existing laws and political pressures. Their histories illustrate the dedication and hardships endured by George's followers—among which included imprisonment, isolation, and great financial loss—to establish the utopia he envisioned. More importantly, these settlements reveal that the assessment and taxation of the full value of land proved much more difficult than George initially envisioned. Single taxers at Fairhope and Arden consistently struggled to balance residents' commitment to the collection of economic rent and freedom from oppressive taxation.

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[1] Joseph Dana Miller, ed., *Single Tax Yearbook: The History, Principles, and Application of the Single Tax Philosophy* Quinquennial Edition (New York, NY: Single Tax Review Publishing Company, 1917), 67, and Paul M. Gaston, *Man and mission: E.B. Gaston and the origins of the Fairhope Single Tax Colony* (Montgomery, AL: The Black Belt Press, 1993), 4.

[2] Fiske Warren explains that an enclave, defined as "an area of land where the economic rent is collected under the terms of leaseholds and used to pay certain of the taxes levied by the town, county, State, or nation," also was considered a colony if "its characteristic note is attracting settlers or extension of territory." See, Fiske Warren, "Single Tax Enclaves," in *Single Tax Yearbook*, 66.

[3] An important qualification must be made with regard to Fairhope. After Fairhope incorporated in 1908, private ownership of land was allowed on municipal property, but not on land owned and leased by the Fairhope Single Tax Corporation.

As many Georgists feared, this balance proved impossible to maintain long-term while city, county, and state governments continued to levy taxes on personal property. Shortly after their founding, both colonies abandoned attempts to collect the full rental value of land and instead, decided to collect only as much rent needed to cover expenditures. As a result, Fairhope and Arden represent only simulated versions of the single tax.

Besides their contribution to the scholarship on the single tax movement, the histories of Fairhope and Arden also add to the vast literature on North American utopias. More than 100 utopian communities formed in the United States, Canada, and Central American between 1762 and 1900; all but a few perished.[4] Fairhope and Arden adapted to their residents evolving interests and survived. Despite their longevity, both colonies experienced many of the same tensions and influences that beset other utopian societies such as the constant struggle to balance individual interests and collective needs. To prevent implosion, the leaders of Fairhope and Arden often compromised their utopian goals to address the practical concerns of their residents. For both, this meant accepting a limited version of the single tax.

Fairhope and Arden also demonstrate the law of unintended consequences. Although formed to reveal to the world the virtues of the single tax and the benefits of taxing only land value, both colonies proved something else. From Fairhope, the world learned a new way of educating children that relied less on books and more on interactive experience. Organic education, as this method was called, applied the pragmatic belief that knowledge is grown, not planted. As such, schools must cater to the needs of a growing child who lives within a growing community. Fairhope thus began as an experiment in the single tax and grew into a laboratory for testing the virtues of organic education.

[4] John W. and Virginia Lyons Friesen, *The Palgrave Companion to North American Utopias* (New York, NY: Palgrave Macmillan, 2004), 22. According to John and Virginia Friesen, utopian experiments usually failed as a result of "internal deterioration" or because they "simply outgrew their utopian ideals."

Similarly, Arden achieved considerable notoriety for events and actions unrelated to its application of the single tax. Throughout the first half of the 20th century, Arden attracted a wide array of reformers who believed the colony provided an ideal setting to test unconventional ideas, including open marriage, vegetarianism, racial integration, and socialism. Interestingly, the application of these ideas provoked as much internal strife as external alarm. Residents fought, divorced, and in the most extreme cases, relied on local law enforcement to quell disputes. Throughout its struggles, Arden maintained its commitment to artistic living and communal ownership of land. Arden residents continue to conduct dozens of free concerts, theater performances, and festivals on village property, which includes the land on which their own houses stand.

**'A Fair Hope for Success'**

From its founding in 1894, Fairhope has flirted with irony. Its location on the eastern shore of Mobile Bay, Alabama allows Fairhope to revel in the distinction of representing one of the few "progressive" utopias located in the South.[5] Despite the colony's commitment to the philosophy of Henry George, Fairhope attracted as many socialists, anarchists and populists as single taxers.[6] Ernest B. Gaston, Fairhope founder and guiding spirit, enjoyed mild success as a land and real estate speculator prior to his conversion to Georgism.[7] And in 1914, the Fairhope Single Tax Corporation narrowly escaped dissolution prompted by a lawsuit brought by two of the colony's most avowed single taxers.[8] Despite the forces seemingly working against Americans first single tax settlement, Fairhope—so-named for the founders' belief that it had "a

[5] As Gaston and other scholars have noted, while Fairhope's founders challenged existing socioeconomic norms, they did not attempt to challenge existing racial beliefs and did not include African-Americans in their experiment. See Gaston, *Man and mission*, 80-81.

[6] Alyea, *Fairhope, 1894-1954*, 27-28.

[7] Gaston, *Man and mission*, 23.

[8] See *Fairhope Single Tax Corporation v. Melville*, 193 Ala. 289 (1915).

fair hope of success"—remained fully committed to Henry George's ideas throughout its troubled history.[9]

The idea that became Fairhope grew out of a small, Des Moines-based social club formed by Gaston and a few of his friends in 1889 to "investigate" social and economic issues of the day by studying the "best and latest literature." Many similar clubs had been formed throughout the country in the latter part of 1889, and most, as Gaston's biographer and grandson, Paul M. Gaston notes, were affiliated with Edward Bellamy's nationalist movement. Gaston admired Bellamy and invited the author to speak at a meeting of the Investigating Club. Additionally, he grew especially interested in the cooperative experiments inspired by the author of *Looking Backward* at Topolobambo Bay on the west coast of Mexico and the Kaweah Cooperative Colony Company located in Tulare County, California. Disappointed but not disillusioned by the limited success of these communities, in July 1890, Gaston decided to establish his own version of a cooperative utopia.[10]

By the turn of the century, utopia building had become a cottage industry. Utopian studies scholars John W. and Virginia Lyons Friesen explain that just prior to the twentieth century, intentional communities sprouted all over the United States, planted mainly by middle-class visionaries who "wanted to escape the drudgery of undue economic pressures."[11] Immediately following the announcement of his planned community, Gaston received dozens of letters from land commissioners and real estate agents offering their services and suggestions for the colony's location. Most boasted of knowing where the cheapest, most fertile and favorably

[9] According to Paul M. Gaston, "The name "Fairhope" was suggested by Alf Wooster. Gaston, *Man and mission*, 72.

[10] Gaston, *Man and mission*, 23-24, 37, 40, 44.

[11] John W. and Virginia Lyons Friesen, *The Palgrave Companion to North American Utopias,* 4. John and Virginia Friesen explain that the term "intentional communities" is often been used by social scientists to describe utopian experiments and social movements designed for achieving a shared outcome.

located land could be found and many expressed support for an experiment in cooperative living. S.A. Hackworth, of Hackworth & Corwin land sales, assured Gaston that he did "not write this letter as a real estate agent soliciting your attention to lands of control in Texas for the purpose of earning a commission," but because "I am interested in the desire to form and to aid you in the matter of promoting the best interest of your enterprise."[12] Among the most determined efforts to secure Gaston's business came from John W. Troeger of Chicago. He exchanged several letters with Gaston urging him to consider Honduras for the colony's location. Troeger enclosed a detailed brochure with one of his letters on the benefits of living in Honduras, which included "the chance to make fortunes," few snakes or reptiles, and a stable labor force:

> Besides the Americans who recently went to the Patuca region, the inhabitants consist of Waika Indians; of these there are about 500; they are peaceable and make fair laborers on the plantations. They soon imitate their white neighbors in habit of dress and living. Natives can be hired at from $10 to $12 a month.[13]

Gaston received similar letters that preached the virtues of Florida, Louisiana, Kansas, and Texas.

The precise nature of the planned colony remained in flux until 1894 when Gaston clearly expressed his intention to administer the community largely based on the doctrine of Henry George. By then, Gaston had tired of Bellamy and the "extreme socialism" of the nationalist movement.[14] He had read *Progress and Poverty* and discussed merits of the single tax in meetings of the Des Moines Investigating Club. While he shared George's belief in the need to restore individuals' natural right to land, Gaston also sympathized with populists, most of whom "refused to accept the single tax as the 'universal solvent'" to the social and economic problems

[12] S.A. Hackworth to E.B. Gaston, 18 August 1890, Records of the Fairhope Industrial Association and the Fairhope Single Tax Corporation, Accession #10517-a-b, Special Collection, University of Virginia Library, Charlottesville, Va.

[13] John W. Troeger to E.B. Gaston, 19 September 1890, Records of the Fairhope Industrial Association.

[14] Gaston, *Man and mission*, 45.

plaguing the country and whose platform George, therefore, dismissed as ineffective.[15] In an essay designed to justify and clarify his "model community," Gaston combined tenets of both philosophies under the title "True Cooperative Individualism." The colony, he explained, would restrict land ownership, collect the full rental value of land, supply "a safe, adequate and independent medium of exchange," and collectively own and operate all public utilities.[16] It also would adhere to the principle contained in the Law of Equal Freedom, which Gaston defined as the idea that "every man has freedom to do all that he wills provided he infringes not the equal freedom of any other man."[17] The plan thus promoted individualism while also protecting the rights and interests of the community.

In January 1894, Gaston and his colleagues began to hammer out the details of a colony based on cooperative individualism. As a first step, the group—which mostly included populists, but also single taxers—decided on the name "Fairhope Industrial Association" for their enterprise. The term "industrial association," Paul Gaston explained, was often used in the 19th century to describe "small model communities" with ties to the American Fourierist movement of the 1840s.[18] As such, their name "linked them to a broad tradition of utopian socialism and indigenous radicalism rather than to the specific single-tax reform."[19] Although the single tax did not appear in the experiment's initial title—in 1904, the Association incorporated and changed its name to the Fairhope Single Tax Corporation—the Fairhope Industrial Association clearly

[15] Chester McArthur Destler, *American Radicalism, 1865-1901. Essays and Documents* (New London, Conn.: Connecticut College, 1946), 13. Despite George's dismissal, many Populists wholeheartedly embraced the single tax and fought to include it in the national and local platforms.

[16] Gaston, *Man and mission*, 144.

[17] E.B. Gaston, "Fairhope," *The Fairhope Courier*, January 1, 1897.

[18] Arthur Brisbane started the movement in America to implement the ideas of Charles Fourier (1777-1837) whor believed in an eight-stage process of social evolution that ended with the overthrow of individualism and capitalism. Fourierism became popular in the U.S. among some farmers and craft workers after the Panic of 1837. See James A. Henretta and David Brody, eds. *America: A Concise History*, 4th ed. (Boston: Bedford/St. Martin's, 2010), 326, 328.

[19] Gaston, *Man and mission*, 73, The name "Fairhope" as previously mentioned, was suggested by founding member Alf Wooster who claimed that the group "had a 'fair hope' of success, 72.

represented an attempt to apply George's theories. Article IX of the Association's constitution prohibited individual ownership of land within its jurisdiction and dictated that colony land be "equitably divided and leased to members at an annual appraised rental" that would be "convert[ed] into the treasury of the Association for the common benefit of all of its members."[20] Furthermore, values added by residents' individual efforts and improvements—i.e. the construction of houses, gardens, fences, etc.—would not be included in the annual rental assessment.

The constitution empowered an Executive Council, with the approval of Association members, to determine the annual value of land not derived from improvements and how to spend ground rents after paying state and county taxes. The issue of membership created a firestorm of controversy unpredicted by the founders. According Article IV of the Fairhope Constitution, any person over the age 18 who purchased at least one share of capital stock—initially priced at $200, and later reduced to $100—was eligible upon approval of the Executive Council to become a voting member of the Association. Additionally, Article IV granted membership status to the spouse of a member, upon signing, and thereby agreeing to the principles of the constitution.

The founders established a system of membership to attract investors who sympathized with the colony's mission and to reward them for their investment with a vote in colony affairs, even if they decided not to reside at Fairhope. The reason government by membership continued after the founder's secured enough investment to purchase land for the colony, Gaston explained, was one of simple math. In response to a letter published in *The Single Tax Review* and critical of Fairhope's membership system, Gaston wrote:

[20] Gaston, *Man and mission*, 154.

> [I]f every one who came to Fairhope because he liked the location or the climate, or because he found land easier of access than elsewhere, were admitted to full participation in determining the policy of the colony or electing the officers to execute it, there would not be any Single Tax colony to criticize by the time another issue of the REVIEW was due.[21]

For most of its history, non-single taxers outnumbered those committed to George's theory. If all residents had a vote in approving annual rentals, the single tax would undoubtedly fail.

Despite the fact that most Fairhope residents did not sympathize with the single tax, according to Paul Gaston, "no apparent effort was made to determine the single-tax leanings of applicants," for membership and leaseholds.[22] Still, very few residents ever applied for membership. According to one former resident and Fairhope critic, only two residents had become members of the Association in its first five years and that "because of the payment of one hundred dollars and a vote of acceptance by the executive council, less than forty people (nine of whom do not live on the colony land) hold absolute power and sway over the administration."[23] Whether the membership system helped maintain the colony's commitment to single tax principles, it certainly fostered increasing resentment toward the Association by non-member residents who lacked a vote in colony affairs. Some historians have suggested that the Association should have restricted *both* residency and membership to single taxers. If it had, Fairhope may have escaped internal strife by attracting only single taxers to their settlement and in turn, won the support of the national movement, which—for reasons that will be discussed

[21] E.B. Gaston, "Reply to Prescott A. Parker" *The Single Tax Review* 4:3 (January 15, 1905): 20-23.

[22] Gaston, *Man and mission*, 90. The application did include a question asking the applicant to list the periodicals they subscribed to for the apparent purpose of determining their philosophical leaning. See Records of the Fairhope Industrial Association.

[23] Prescott A. Parker, "Fairhope Criticised" *The Single Tax Review* 4:3 (January 15, 1904): 18-20.

later in the chapter—refused to endorse the colony as an official demonstration of the single tax.[24]

Early in 1894, the Association solicited applications for membership and sent out a search committee to scout possible locations for the colony. "Climate, cost, and fraternal ties," according to Paul Gaston, directed the search committee to the south, where the Farmer's Alliance and other populist organizations thrived. The search committee recommended and Association members approved the purchase of 132-acres in Baldwin County, Alabama along Mobile Bay.[25] As a result of its location in the South, Fairhope's founders opted to exclude blacks from their experiment and avoided the "race question" altogether. Although Gaston sympathized with the plight of Sothern blacks, he, like other single taxers, believed that economic justice, rather than integration, provided the antidote to racism.[26] With membership dues and donations from Fairhope supporters, the Association purchased the land for $6.00 an acre and in November 1894, the first settlers—five families, which included E.B. Gaston, his wife and four children—arrived in Baldwin County, AL.[27]

All five families and subsequent Fairhope settlers leased land directly from the Association for 99-year periods. The terms of the lease closely followed the Association constitution, mandating that lessees pay the annual rental value, determined by Association members and exclusive of improvements, of the land leased. Delinquent rents accrued one percent monthly interest until paid. After six months, the Association retained the right to sell any and all improvements to the leasehold for the amount due. Lessees retained the right of

[24] See Arthur Nicholas Young, *The Single Tax Movement in the United States* (Princeton, NJ: Princeton University Press, 1916), 250-256; Paul E. and Blanche R. Alyea, *Fairhope, 1894-1954: The Story of a Single Tax Colony* (Tuscaloosa, AL: University of Alabama Press, 1956), 35; and, Gaston, *Man and mission*, 91.
[25] James Bellangee quoted in Gaston, *Man and mission*, 85.
[26] See Gaston, *Man and mission*, 80-83.
[27] Alyea, *Fairhope, 1894-1954*, 31.

exclusive ownership—except in the case of delinquent rents—to any improvements made to the leasehold, and in the case of the Association's dissolution, could purchase the title to the land of their lease. The terms of the lease provided lessees with two important guarantees: that no portion of the collected rent would be "appropriated as dividends to Association members" and that "in the distribution of benefits" financed by ground rents, "no distinction shall be made between individuals, whether members of the corporation or not."[28] For non-members of the Association, the lease represented their only connection to and legal stake in the colony.

**'The Matter of Land Rentals'**

Equally divisive and connected to the membership issue, the valuation and collection of the rental value of land generated disunion in Fairhope from the first year the Association conducted assessments. While some of the discontent sprung naturally from lessees desires to keep rents low, the lack of a clear procedure—outlined in the Constitution or by Henry George—for calculating land values and determining ground rents accounts for most of the controversy. George envisioned a simple process for the implementation of a single tax on land values. "Since in all our states we now levy some tax on the value of land," George explained, "the Single Tax can be instituted by the simple and easy way of abolishing, one after another, all other taxes now levied commensurately increasing the tax on land values" until it covered all government expenses.[29] Even for those states or municipalities without taxes on land values, the calculation of land rent, George believed, remained clear. "The value of land is more easily and certainly ascertained than any other value," he explained, "Land lies out of doors, everybody can

[28] Charles White Huntington and Fiske Warren, *Enclaves of Single Tax Being a Compendium of the Legal Documents Involved Together With A Historical Description by Charles White Huntington*, sec. vol. (Harvard, Mass.: Fiske Warren, 1922), 37.

[29] Henry George, "The Single Tax," in *Selected Articles on Single Tax*, eds. Edna D. Bullock and Julie E. Johnson (New York, NY: The H.W. Wilson Company, 1917), 5.

see it, and in every neighbourhood a close idea of its value can be had."[30] Unlike other forms of property such as buildings and business, land cannot be moved; its use cannot be hidden; and, its value is not dependent upon age.[31]

The large adjustments to rental assessments year-to-year in addition to the frequent complaints of lessees testifies to the practical difficulty of determining and collecting land rents, even in a small community like Fairhope. The Executive Council conducted its first assessment in 1896, and levied a mere five percent tax on land values in Fairhope. According to Paul and Blanche Alyea, this charge ranged from $1.25 for bay front lots to 12 and a half cents per acre for those farther from the water.[32] Residents immediately complained that the rent was too high. The following year, the council decided to focus on the "relative" rather than "absolute" values of land and adopted what became known as the "unit system." Under this system, the council first determined the value of an "average" lot in units as opposed to dollars and cents. It then calculated the unit value of all the other lots based on this average lot. Finally, it divided the total number of units by the amount of money needed to be raised to determine the dollar value per unit. While this system gained residents' support, as Paul and Blanche Alyea rightly point out, it represented a clear departure from the Association's charge to collect the *full* rental value of land regardless of the amount needed to cover expenses.[33]

By fixing land rent based on the amount of revenue needed rather than its actual economic value, the Association entered a national debate between single taxers on the side of Thomas G. Shearman. Shearman, who originated the term "single tax" to refer to George's

[30] George quoted in "Land and Taxation: A Conversation," *North American Review* 141 (July 1885), 2.

[31] On why land is an ideal tax base, see M. Mason Gaffney, "Property Taxes and the Frequency of Urban Renewal," Reprinted from the Proceedings of the Fifty-Seventh National Tax Conference Held at Pittsburgh, Pennsylvania, September 14-17, 1964 (Harrisburg, PA: National Tax Association, n.d.), 272-285.

[32] Alyea, *Fairhope, 1894-1954*, 57.

[33] Ibid., 59. See also "Appraising Land Values," *The Fairhope Courier*, December 1, 1896.

remedy, believed that landowners should be charged "whatever amount the state really needs, for the effective but economical administration of government."[34] While some Georgists accepted the "single tax limited," as Shearman's proposal became known, as a first and practical step toward the restoration of individuals' natural right to the land, most understood that "economic justice," could not be "obtained short of diverting the whole of land income, as nearly as possible, from the individual land-owners into the coffers of the state."[35] Although the Fairhope Association abandoned the unit system soon after its first use, residents continued to prefer the practice of taking only what was needed to pay local and county taxes.

The process of determining land rents required a clear understanding of important economic terms. According to single taxers, land represents "all that external nature offers to the use of man," and includes not only the solid ground, "but all that is above and all that may be below it, from zenith to nadir."[36] Land includes water, oil, and minerals. George adopted the Ricardian belief that land gained value or "rent" *only* as a result of demand. "Rent," David Ricardo famously declared, "is that portion of the produce of the earth which is paid to the landlord for the use of the original and indestructible powers of the soil."[37] Furthermore, he explained, land gained rent when, "in the progress of population, land of an inferior quality, or less advantageously situated, is called into cultivation."[38] In other words, so long as land of better or equal quality and location can easily be acquired, land lacks economic value.

In addition to population growth, land becomes more valuable and desirable as a result of personal effort and labor. When a landowner erects a house, digs a well, or plants crops, others

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[34] Shearman quoted in Young, *The Single Tax Movement in the United States*, 264. Young notes that Shearman believed that taking half of the rental value would be enough.

[35] Young, *The Single Tax Movement in the United States*, 265.

[36] Henry George, *The Science of the Political Economy: A Reconstruction of its Principles in Clear and Systematic Form* (New York, NY: Robert Schalkenbach Foundation, 1992), 353, 408-409.

[37] David Ricardo, *The Principles of Political Economy and Taxation with an Introduction by Robert E. Wright* (New York, NY: Barnes & Noble, Inc., 2005), 27.

[38] Ricardo, *The Principles of Political Economy and Taxation*, 29.

are willing to pay more for the use and occupation of that plot of land. These values, added by personal effort provided the only rightful basis of private property, and according to George, should not be included in the assessment of land values for the purpose of determining its rental value. As George explained, the first canon of taxation dictates that the "best" tax bears "as lightly as possible upon production."[39] A land value tax that included the value added by personal effort would discourage thrift. Assessments must include, however, values added by virtue of land's location such as its proximity to a school, a water source, or forest.

The Council faced considerable difficulty assigning factors of location numerical value. Like George, the Association initially attempted to determine the value of land based on its selling price—what an individual would pay, in an open market, for land of the same quantity and quality of location. Some lessees criticized the Association for using this standard since speculation on non-colony owned land artificially increased the market value of land within Fairhope.[40] Additionally, some argued against "the collection of anything more than the value of the land at the time of its original purchase," alleging that any increase in land values since its original purchase was due to the individual efforts of the lessees.[41] The Association reminded lessees that land values also increased as a result of an increase in population, however small, and that the entire community contributed to that increase. To quell discontent, the Council provided each lessee a copy of all the rental assessments in Fairhope along with a notice of when the members would meet to approve them.

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[39] George, *Progress and Poverty*, 408-409. According to George, "Taxation which lessens the reward of the producer necessarily lessens the incentive to production."

[40] As Matthew M. Harris noted in his study of Fairhope and Arden for the Lincoln Institute of Land Policy, by 1906 "About half the population lived on private, deeded land that benefited enormously from the colony provided benefits" and which, some believed, artificially raised the value of land in the colony. See Matthew M. Harris, "Lessons from Attempted Utopia: Fairhope, AL and Arden, DE" (working paper, Lincoln Institute of Land Policy, 2004), 15.

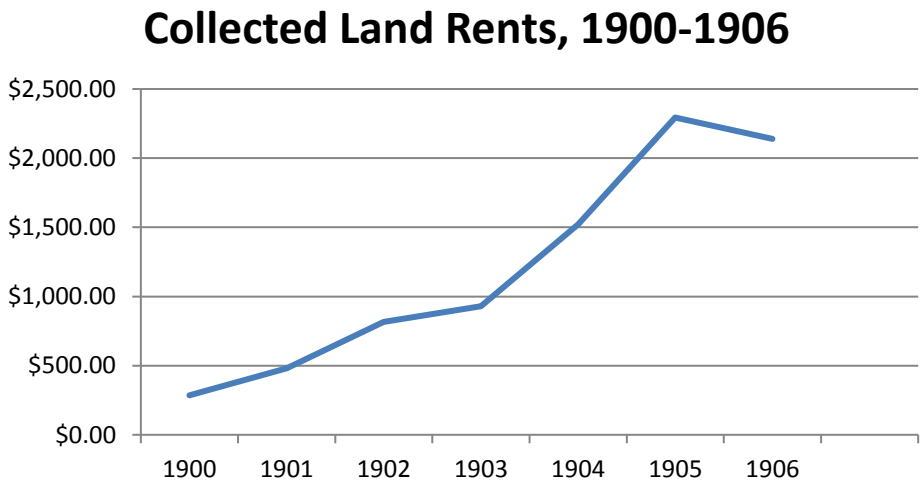
[41] "The Value of Land Governed by Supply and Demand," *The Fairhope Courier*, May 26, 1905.

After the difficult process of calculating the taxable value of land within the colony, the next step—collecting it—should have been easy; it wasn't. The events that occurred between 1902 and 1907 known collectively as "The Fairhope Controversy," largely illustrate why. Over those years, Fairhope lessees formed a Tenants Association to voice their complaints to the Executive Council and the *Fairhope Courier*, the official organ of the Fairhope Industrial Association, published numerous reports on the calculation of land values and articles warning residents of the dangers of "too low rents." Additionally, in 1904, the members of the Fairhope Industrial Association voted to incorporate and change its name to the Fairhope Single Tax Corporation under an Alabama law that allowed any non-profit organization, not paying dividends or interest to its members to incorporate. While not immediately important to the rental controversy, this move enabled angry tenants to sue for the Corporation's dissolution in 1914, alleging that it had created a tax system that violated both the U.S. and Alabama constitutions.

Throughout the five-year dispute, lessees opposed the increase in rental fees each year and complained that non-members were unfairly denied a vote in approving annual assessments.[42] In response, Corporation members insisted that lessees lacked "understanding and appreciation" of the colony's principles and failed to recognize the numerous benefits they enjoyed based on the application of those ideals. Both sides levied charges of ignorance and greed.

[42] Alyea, *Fairhope, 1894-1954*, 91-92.

At a January 1905 meeting, leaseholders drafted a memorial that, among other things, accused Corporation officers from personally profiting from land rentals and acting as "a landlord in the most objectionable sense of the word." The leaseholders demanded that the Council fix a legal limit to the increase of ground rents from year-to-year and prohibit paid Corporation officers from the serving on the appraisal committee. "This body is assured," the memorial read, "that there will be no peace until there is a limit fixed to this non-ending and excessive taxation."[43] In a formal "reply" published in the *Courier*, the Council dismissed lessees' complaints. First, it pointed out that although the Council had "urged" tenants to submit their own estimates of what their land is worth each year "To this date, but one person accepted this invitation." Furthermore, the Council argued that, its hands were tied with regard to limiting the increase of rents each year. "As is amply set forth in the constitution of the Corporation, its leases, and its other literature," the Council wrote, "[our] policy cannot be consistently carried out without taking *all* of the unearned increment, because anything less would not "equalize the




Source: Alyea, *Fairhope, 1894-1954*, 93.

[43] "The Rental Controversy. Memorial of Objecting Tenants and Reply of the Executive Council," *The Fairhope Courier*, January 27, 1905.

varying advantages of the different tracts."[44] While rent prices continued to rise over the next several years, so did the rate of delinquency, prompting, in some cases, the Corporation to take legal action.[45]

The national single tax movement sided with the lessees throughout the most of the Fairhope controversy. As previously mentioned, prominent single taxers including George held unfavorable views toward the establishment of a single tax colony. Besides their fears of the damage its failure might inflict on the larger movement, many single taxers rejected the idea of a private corporation administering the affairs of a supposedly democratic community. While Fairhope "has many admirable features," Joseph Dana Miller, editor of the *Single Tax Review*, wrote in the spring of 1905, a "close corporation" handles all of its affairs and "exercises all the functions of a landlord."[46] This form of management, Miller believed, failed to uphold George's commitment to local self-government.[47] Similarly, E.Q. Norton, single taxer and editor of the Daphne, Alabama *Standard* criticized the Fairhope Single Tax Corporation for denying renters an official voice in determining the land values their presence helped create. To remedy this, Norton—who had helped Gaston and the other first families settle in Fairhope—argued for determining land values at an open meeting of renters each year.[48]

Eventually, the Council acted on Norton's suggestion in 1914 when it adopted the recommendations of W.A. Somers for calculating annual assessments. Believing, as Henry George, that communities create land value, Somers devised a system for assessing that value based on each site's *relative* worth. Rather than attempt to determine the *absolute* value of each

[44] "Reply of the Council," *The Fairhope Courier*, January 27, 1905.
[45] Alyea, *Fairhope, 1894-1954*, 128.
[46] Editor, *Single Tax Review* 4 (April 15, 1905): 42-43.
[47] See "The Functions of Government," in Henry George, *Social Problems* (1883; repr., New York, NY: Robert Schalkenbach Foundation, 1992), 171-193 for more on George's ideas regarding democratic government.
[48] E.Q. Norton, "The Changes Needed to Make Fairhope a Success," *The Single Tax Review* 4 (April 15, 1905; reprinted from the Daphne, Ala. *Standard*, n.d.), 45.

leasehold—a process which, for Fairhope, proved both difficult and controversial—Somers assigned land values for a given site as "the sum total, expressed in price, of all the influences under existing conditions of life, of the people of that community in relation to that site."[49] In other words, Somers assumed that the value of one site to another could be calculated using a mathematical ratio, which separately accounted for all the factors that increase or decrease land value—such as road and market access or soil fertility.[50] Additionally, Somers relied on the extensive input of people living within each neighborhood of the assessed land at open meetings conducted during the entire valuation process.

Somers recommended that the Council fix the gross rent for 1914 at $6,500 and then determine each lot's rental charge based on its relative value to the other lots within the colony. While the lessees generally approved of Somers' method over previous attempts by the Council to set rental charges, as Paul and Blanche Alyea pointed out, it presented two major problems. First, the Somers system required an unrealistic amount of participation by each lessee. Second, and most importantly, it did not guarantee the collection of *full* rent, since the system based each lot's rental charge on relative proportion of a pre-determined and fixed annual assessment for the entire colony.[51] The Somers system more closely resembled the colony's previous practice of calculating individual rentals based on the total revenue needed, rather than its founding charge to collect the full rental value of land.

The application of the Somers system of valuation at Fairhope appeased some residents while further angering others—especially committed single taxers. On April 25, 1914, the

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[49] Walter W. Poll0ck, "An Equitable Standard for Land Valuation" in *Proceedings of the Seventh Annual Conference Under the Auspices of the National Tax Association (Formerly "State and Local Taxation") Held at Buffalo, New York, October 23 to 25, 1913* (Madison, WI: National Taxation Association, 1914), 241.

[50] Edward W. Doty, "Assessment Work Under the Somers System," *The American City* VII (July-Dec., 1912), 240.

[51] Alyea, *Fairhope, 1894-1954*, 163.

Fairhope Lessees Association, led by two prominent single taxers, submitted a Bill of Complaint to the Mobile Chancery Court. In it they alleged that the Fairhope Single Tax Corporation not only violated the Alabama's law prohibiting not-for-profit corporations from paying dividends to its members, but that it also had "failed, and must continue to fail, to carry out or accomplish any of the purposes for which such an organization may exist:" the application of the single tax.[52] To Alfred Wolf and Alexander Melville, the two main movers in the suit against the Corporation, Fairhope proved that it was both impossible and unjust to try and collect the full rental value of land while state and local governments levied other taxes. The system established at Fairhope in which residents pay a land value tax in addition to state and local duties, Wolf and Melville believed, proved horribly oppressive and represented "a miserable parody upon the teachings of Henry George."[53] The Chancery Court agreed.

To the Corporation, the suit, ironically, proved helpful. While the Chancery Court sided with the Lessees Association, on appeal, the Alabama Supreme Court ruled in favor of the Fairhope Single Tax Corporation and issued the final word on its legality under State law. Contrary to the lower court, which found that the Corporation's tax system violated the Alabama and U.S. Constitutions, the State Supreme Court ruled that the tenants of the Corporation were subject to the same system of taxation as all state and national residents.[54] In fact, the Court ruled, the Fairhope Single Tax Corporation lacked any official taxing power. Instead, the Court found that the Corporation acted more like a "benevolent landlord," treating its private land as

[52] *Alexr. J. Melville vs. Fairhope Single Tax Corporation*, 5. Bill of Complaint. Submitted April 25, 1914 in Records of the Fairhope Industrial Association.

[53] Ibid., 7. See also Alfred J. Wolf, "Fairhope Colony on Mobile Bay: An Alleged Application of the Single Tax" (Fairhope, AL: Sept., 1907).

[54] *Fairhope Single Tax Corporation v. Melville*, 193 Ala. 289 (1915).

the common property of all lessees, who thereby shared in the benefits of its single tax demonstration.[55]

**Beyond Taxation: Life in a 'Single Tax' Colony**

Despite the failure of Fairhope to collect the full rental value of land, deriving local revenue entirely from land rent provided residents with many benefits. Over the years the Fairhope Single tax Corporation financed several community projects and purchased more land for future settlers. At the Quarter Centennial Celebration of Fairhope, Gaston reminded residents of the all the free and discounted services available to them as a result of Fairhope's land policy. Among those that he highlighted—which included the wharf and steamer, railway, waterworks, and telephone service—access to the world-renown and highly successful Organic School represented the most prized.[56]

Besides its distinction as America's first single tax colony, Fairhope enjoys international recognition for its School of Organic Education, founded in 1907 by Marietta Johnson. Johnson, a North Dakota school teacher, came to Fairhope with her husband and young son in December 1902. In January 1903, she took charge of the colony school and implemented a new, experimental curriculum, which emphasized manual tasks and catered to students' individual interests. Johnson called the theory behind this curriculum "organic education," which accepted the maxim that "education is growth." Johnson believed that no economic reform, including the single tax, would be successful until the "false concepts of justice" first learned in the nation's schools were corrected and that education needed to do more than train students for the future; it

[55] *Fairhope Single Tax Corporation v. Melville* 193 Ala. 289 (1915).

[56] "Quarter Centennial History of Fairhope Single Tax Colony. Read by E.B. Gaston, Secretary at Celebration, January 1, 1920" Records of the Fairhope Industrial Association.

needed to nurture the "immediate needs of the whole organism." In 1909, Fairhope financier and soap magnate Joseph Fels donated $10,000 to Johnson's school.[57]

Fairhope provided an ideal setting to test a new theory of education, especially one based on the premise that the traditional practice—filling children with as much knowledge as possible and testing to see how much they retained—contained serious flaws.[58] In many ways, Johnson's theory of organic education applied Gaston's true cooperative individualism to schooling. Johnson granted children near total freedom to pursue their individual interests so long as their pursuit did not interfere with those of other children's or stifle the growth of the entire class. Similarly, the job of the teacher at the organic school closely aligned to the mission of the Fairhope Single Tax Corporation: to secure "equality of opportunity, the full reward of individual efforts, and the benefits of cooperation in matters of general concern."[59] The Corporation existed not to amass profits for its members, but to stimulate the growth of the entire community through the promotion of individual interests. Similarly, Johnson described the role of the school to provide children with the experiences necessary to grow:

> Our school has been an effort to work with children from the point of view of meeting their needs rather than getting them to meet the demands of any system. Not "what do they know," but "how do they grow" is our slogan. The school must provide conditions under which every child may flourish.[60]

[57] All citations from this paragraph come from Paul M. Gaston, *Women of Fairhope* (Athens, GA: University of Georgia Press, 1984), 66-80.

[58] Marietta Johnson once wrote: "It is one thing to have an educational theory; it is something quite different to put it into practice. The town of Fairhope is an effort to make a "good theory work," so this is an eminently appropriate location for a school working out a good theory." See Johnson, *Thirty Years with an Idea* (University, AL: The University of Alabama Press, 1974), 51.

[59] Article II of the Constitution of the Fairhope Industrial Association reprinted in Gaston, *Man and mission*, 150.

[60] Johnson, *Thirty Years with an Idea*, 15.

To that end, Johnson abolished fixed desks and postponed lessons in reading or mathematics until ages 8 or 9. Before then, she believed, children's nervous systems lacked the maturity to handle formal work.[61]

The popularity of Johnson's theory of organic education relied in part, on its incorporation of the principles of pragmatism and progressivism—two movements of growing importance in the early decades of the twentieth century. Johnson shared pragmatists' belief that knowledge was not simply something passed down from one generation to the next; individuals needed to experience knowledge and discover its usefulness firsthand. "Too often people take truth on authority," Johnson wrote, "that is, they accept things because of the word of the book or some authority." Instead, she believed that "If children were allowed to think through experience, a tendency to wait for data, to search for truth and use it for authority, might be developed."[62] Johnson conducted most of the lessons for students in her First Life Group—ages 6 to 7—outdoors to provide physical examples of the ideas they studied. Eventually, Johnson believed, children discover the limits to what they can learn through direct experience and when that happened, usually around age 8 or 9, they discover books to fill in what they cannot experience themselves.

Johnson arrived at her organic theory of education came after years of study and experience. In preparation to teach children, she read the latest literature on childhood development—Nathaniel Oppenhiem's *Development of the Child* (1898) became her "educational bible"—and studied how children naturally interacted with their environment,

[61] "What is Organic Education? Excerpts from Mrs. Johnson's Explanatory Speech," *The Vanguard American* 2 (January 1946), 1.

[62] Johnson, *Thirty Years with an Idea*, 62.

beginning with her own son.[63] "It seems extraordinary to me that I did not start upon such work long, long before I did," Johnson remarked:

> That educators generally let the centuries slip by before they began to see the great necessity for it is a continual sense of amazement in me. The men who have raised cabbages have had sense enough to study cabbages; but we, who have raised children, are not just beginning to have the sense enough to study children.[64]

Her observations reaffirmed the principle, first proposed by Jean-Jacques Rousseau, that "The child is best prepared for life as an adult by experiencing in childhood what has meaning to him as a child."[65] Put another way, children must be allowed to enjoy childhood.

The height of the careers of both Johnson and the Organic School came in 1915 when John Dewey and his wife Evelyn, discussed the findings of their visit to Fairhope in a book titled, *Schools of Tomorrow*. The Dewey's praised Johnson for designing a curriculum that provided experiences children needed not only to develop their minds, but their bodies and spirit as well. "The school has provided conditions for wholesome, natural growth," they wrote. "It has demonstrated that it is possible for children to lead the same natural lives in school that they lead in good homes…to progress bodily, mentally, and morally in school without factitious pressure, rewards, examinations, grades, or promotions…"[66] Johnson's pupils rarely received examinations, and when they did, most were open-book since the purpose of evaluating students, according to John and Evelyn Dewey, is not to show what the child had memorized but that they could successfully use books and other tools to gain knowledge. From 1909 until her death in 1938, Johnson lectured on organic education around the United States and Europe. In the

[63] Johnson, *Thirty Years with an Idea*, 8.
[64] Johnson quoted in Davis Edwards, "Founder of Organic Education Tells of New School," *The New York Times* (March 16, 1913).
[65] John and Evelyn Dewey, *Schools of Tomorrow* (New York, NY: E.P. Dutton & Co., 1915), 17-18.
[66] Dewey, *Schools of Tomorrow*, 1915.

process, she not only familiarized the world with the organic school method, but also with the ideas that inspired Fairhope—the single tax and true cooperative individualism.

**'You Are Welcome Hither'**

While E.B. Gaston and other Fairhope settlers celebrated the arrival of the colony's first summer, Frank Stephens and Will Price prepared for battle. On June 15, 1895, both men led an army of Philadelphia single taxers into Delaware where they hoped to elect a new state government friendly to George's ideas. They donned Union Army uniforms, called themselves the Delaware Single Tax Party and adopted the Earth as the official party image. For 17 months, they marched throughout the Diamond State distributing literature, delivering speeches and singing songs, including one set to the tune of "My Maryland:" "We want the Earth we want it all; We want the whole terrestrial ball! Awake, Awake, 'tis Freedom's Call; Delaware, my Delaware." The campaign proved highly unsuccessful. The press portrayed the single taxers as "invaders" and "depraved and irresponsible vagabonds," while local officials arrested Stephens and other members of his army on multiple occasions for "noisy assemblage," and "impeding the thoroughfare." On Election Day, no single tax candidate earned more than a thousand votes and at a state Constitutional Convention held the following year, delegates approved a clause prohibiting the legislature from ever adopting "a system of taxation the object of which is the confiscation of land."[67]

Despite the results of the campaign, Stephens and Price remained committed to the idea of making Delaware the first Single Tax State. Besides its size and the concentration of voters in

[67] Brother Michael Ignatious O'Shea, *A History of Arden: An Experiment in the Application of the Single Tax Theory of Henry George* (master's thesis, Seton Hall University, 1957) 7-9, 12-13 in Papers of Frank and Donald Stephens, Delaware Historical Society; Nancy T. Wolfe, "The Single Taxers' 'Invasion' of Delaware" *American Journal of Economics and Sociology* 35 (Jan., 1976): 96, 101; H. Wiencek, "Laying out the idyllic life in a latter-day Arden," *Smithsonian* 23 (1992), 127; and, Harris, "Lessons from Attempted Utopia," 34. According to Harris, "The phrase "confiscation of land" was a deliberate and inflammatory distortion of George's proposal," and "was the equivalent of a slap in the face just for good measure."

Wilmington; Delaware presented an ideal test case for George's theory as a result of the positive ratio between its land values and expenses. In a speech to Delaware businessmen, Stephens explained that a mere two percent tax on land rent would cover *all* of the state's expenditures.[68] When the campaign failed to convince Delaware voters of the virtues of George's theory, Stephens and Price decided to establish a working demonstration of the single tax. They reasoned that if voters witnessed the benefits of land value taxation on a small scale, they might be persuaded to give it a try at the state level. In 1900 and with the financial backing of Joseph Fels, Stephens, Price, and one of Price's colleagues, Frank Martin, purchased a 162-acre farm six miles north of Wilmington and 20 miles south of Philadelphia. They paid $9,000 for this site on which they hoped to establish America's second single tax colony.

Prior to their reading of *Progress and Poverty*, Stephens and Price enjoyed successful careers as skilled artisans. In the 1880s, Stephens established two businesses specializing in sculpture decorative arts and Price was on his way to becoming a well-known architect.[69] In addition to George, both celebrated the ideas and accomplishments of William Morris, who inspired the English Arts and Crafts Movement, and Peter Kropotkin, a Russian theorist who believed that cooperation, rather than conflict, fueled progress. At the Second International Conference on the Taxation of Land held at Oxford University in 1923, Stephens described the sources of inspiration for the colony:

> We had learned William Morris' truth that nothing can be done for Art until we have bridged the terrible gulf between the rich and the poor. We were so disgusted with civilization that we determined then and there to go out into the open and make a better one, in which the land theory of Henry George should

[68] "To Delaware Business Men," in Speeches by Frank Stephens, Papers of Frank and Donald Stephens, Delaware Historical Society.

[69] Harris, "Lessons from Attempted Utopia," 34-35.

> make the social basis for the industrial theory of Kropotkin and the art theory of William Morris.[70]

In addition to a working demonstration of the single tax, Stephens and Price wanted to establish a community that promoted cooperation and artistic living.

The intellectual and creative backgrounds of Stephens and Price informed every aspect of their experiment. Price designed the layout of the colony around two central greens connected by intersecting pathways and a woodland border.[71] Stephens created the blueprints and helped construct the community's first homesteads. As a reflection of their shared love of Shakespeare, Stephens and Price named their colony after the Forest of Arden in *As You Like It*—"as that forest was a refuge for exiles," one scholar wrote, "so Arden was to be a refuge for those who were tired of the tensions of city life."[72] Additionally, at the entrance to one of the village greens, Arden's founders erected a wooden stile with an inscription from *King Lear* on the front—"You are welcome hither"—and on the back, one from *Julius Caesar*—"If we do meet again, we shall smile."[73]

Unlike the architects of Fairhope, Stephens, Price and Martin established a system of trusteeship to administer colony affairs. As trustees, they held the title to the land and agreed to lease it for 99 year terms to anyone who applied, regardless of religion, race, or political association. In return, Arden lessees contracted to pay "the full rental value of the premises" from which the trustees contracted to pay all State and local taxes. Additionally, the trustees promised to use any money left over after paying taxes to provide services desired by the

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[70] *The Arden Book: History, Government, Laws & Organizations*, Revised Edition (Arden Community Planning Committee: 1999), 4-5.

[71] Mark Taylor, "Utopia by Taxation: Frank Stephens and the Single Tax Community of Arden, Delaware" *Pennsylvania Magazine of History and Biography* 126 (Apr., 2001), 316.

[72] Carolyn Neff Andrews, *Arden: Experiment in Idealism* (master's thesis, University of Delaware, 1967), 13.

[73] Taylor, "Utopia by Taxation," 310.

leaseholders.[74] Similar to Fairhope, neither the Deed of Trust nor Arden's constitution outlined a procedure for assessing land values or collecting economic rent, besides the vague statement that "the rentals shall be assessed to correspond to the value or desirableness of each plot…"[75] Shortly after all of the land in Arden had been leased—around 1909—the village experienced its own version of the Fairhope Controversy: single taxers demanded the collection of the full rental value of land and the lessees refused to pay it. Although the story of Arden's founding differed a great deal from that of Fairhope's, the colony soon found itself facing the very same issues with regards to the implementation of George's theory.

**"What is the full rent?"**

Arden grew slowly during its first decade. Land policy expert Matthew Harris attributes the colony's stunted development to the terms of the original Deed of Trust, which gave the trustees complete authority over the assessment and collection of rents. This arrangement, Harris pointed out, may have prevented settlers from developing their leaseholders out of fear that their rents would increase and may also have kept potential residents from making their home in Arden due to the closed process of rent-setting.[76] When Stephens, Price, and Martin revised the Deed of Trust in 1908 to allow residents to elect their own rent assessors, Arden proceeded to grow. By August 1, 1909 the trustees had secured a renter for every foot of leasable ground in Arden.[77]

While the new Deed of Trust promoted growth, it also indirectly led to the policy of basing land rents on the revenue needed to pay taxes and cover expenses, rather than the full economic value of land. In an article in the new village paper, *Arden Leaves*, C.F. Shandrew

[74] Huntington and Warren, *Enclaves of the Single Tax*, 70.
[75] Ibid., 64.
[76] Harris, "Lessons from Attempted Utopia," 37.
[77] Ibid. See also, "Deed of Trust," in Warren and Huntington, *Enclaves of the Single Tax*, 57, 69-70.

attributed the shift in practice to residents' lack of understanding of the term "full rent." Like Gaston, Shandrew insisted that the full rental value of land "cannot be that minimum amount which the leaseholder will consent to pay, neither can it be that excessive amount which some one individual would pay to gratify his whim for a particular site." Rent, he argued, "is determined by "the haggling of the market."[78] As proof that the trustees failed to collect full rent, Shandrew noted that land adjacent to the colony and lacking many of its benefits, sold at a higher price than the assessed value of land in Arden. Since the value of land outside full rent communities represents the speculative price of land, Shandrew reasoned, trustees should collect as much if not more in rent for land within Arden, which is more valuable.

On August 3, 1911 Arden residents conducted a public meeting to consider the "good and welfare of Arden," or, in other words, whether to continue basing land rents on expected expenditures. Residents voted to allow a Committee of Twelve to further investigate and make recommendations to resolve the issue of annual rental assessments. The results of the Committee's investigation proved disappointing to Arden's single taxers. The Committee recommended that the assessors continue its usual practice of basing assessments "upon a carefully prepared budget for the coming year."[79] Additionally, it suggested that assessors charge no more than 5 percent of the total land value in rent—the "customary" practice in the State of Delaware. Besides its apparent ignorance of the terms of Arden leases, one single taxer lamented the Committee's blatant disregard for the history of the village:

> They seem to have overlooked the fact that if Arden means anything at all, it means a breaking away from precedent! Yet it was because it follows no precedent, because it is unique, that these Twelve men came to Arden, and for

[78] C.G. Shandrew, "1912 Rentals," *Arden Leaves* (September 1911), 20. Papers of Frank and Donald Stephens, Delaware Historical Society.

[79] Report of the Committee of Twelve quoted in F.J.S., "Wayside Notes and Comments," *Arden Leaves* (Oct., 1911), 27. Papers of Frank and Donald Stephens, Delaware Historical Soceity.

> that same reason dozens of others followed, and for that same reason other Ardens are being established.[80]

Residents voted favorably for the recommendations submitted by the Committee of Twelve thereby institutionalizing the practice of determining rents based on projected expenses. For 1911-1912, the trustees collected nearly $500 less in total rent than what they paid in taxes and general expenses.

**Report of the Trustees for Arden for the Year Ending March 25, 1912**

Receipts

| | |
|---|---|
| From rents of year 1911 | $1,539.98 |
| From interest | 11.73 |
| **Total receipts** | **1,551.71** |

Disbursements

| | |
|---|---|
| Paid general expenses | $37.10 |
| Paid for taxes | 300.57 |
| Paid for townsmen | 1,264.04 |
| **Total disbursements** | **1,601.71** |

Source: *Arden Leaves* (May 1912).

**Adultery, Treason, and the Sabbath: Arden in the News**

Despite its failure to collect the full rental value of land after 1908, Arden, like Fairhope, continued to brand itself a "single tax colony." As a result, Henry George's ideas remained in the public view whenever Arden or its residents appeared in the news. Throughout the early decades of the 20th century, the names of Arden residents frequently made headlines, often for engaging in "scandalous" behavior such as playing baseball on the Sabbath. Other times, Arden, like Fairhope, triggered public interest in the single tax as a result of the success of one or more

[80] F.J.S., "Wayside Notes and Comments," *Arden Leaves* (Oct., 1911), 28. Papers of Frank and Donald Stephens, Delaware Historical Society.

of its institutions. Both types of coverage helped paint an image of the "Georgist" colony as a place where idealists entertained unconventional ideas. One such idea included a bank that loaned on "character" rather than collateral.

Established in April 1911, the Raiffeisen Gild promoted single tax ideals by providing loans and mortgages to "the landless laboring classes and those most in need of help." Stephens and Price fashioned the Gild after the village credit union plan created in the mid-19th century by Burgomeister Raiffeisen of Heddesdorf, Germany, which issued loans to members based on moral character and neighborly reputation. Similarly, according to the charter of the Raiffeisen Gild at Arden, "The object of the Gild shall be to lend money to its members by utilizing their credit through co-operation and the pledge of their unlimited liability in borrowing." Raiffeisen Gild membership was open to any leaseholder or resident pending the unanimous approval of a five-member Council, elected by Arden residents. Initially, the Gild loaned at 5 percent interest—later increased to 6 percent—and deposited all surpluses from repaid loans to the central borrowing fund. The Gild charter also prevented the issuance of dividends or profits of any kind. In addition to the unanimous approval of the Council, loan applications required, as surety, the signatures of two neighbors. By 1921, the Gild had supplied nearly $40,000 in loans mostly to cover the costs of building homes and businesses in Arden without a single default or loss.[81]

Besides the Raiffeisen Gild, Arden's numerous cultural clubs and events earned it the reputation of a modern *As You Like It.*[82] Arden maintained its founder's commitment to arts and crafts as well their love of Shakespeare long after Stephens and Price died. For years, the village operated a successful Craft shop where Stephens and his protégées produced and sold hand-

[81] Huntington and Warren, *Enclaves of the Single Tax*, 60, 74, and 61.
[82] J.W. Gaskine, "Arden: a Modern "As You Like It"" *The Independent* 71 (August 10, 1911): 299-304.

crafted furniture, lamps, and other decorative items. Additionally, the Players' and Musicians' Gilds performed several plays and musicals each year at the open-air theater on the West side of the Village Green.[83] One village visitor described Arden as "a kind of undress temple of learning" and his visit in 1910 "like turning the pages of an old romance."[84] In 1973, Arden became the only village ever placed on the National Register of Historic Places.[85]

In addition to the press accounts that applauded its rich artistic and cultural life, Arden received a considerable amount of public attention as a result of its residents' tendency to defy social conventions. Beginning in the summer of 1910, Arden enjoyed two consecutive years of press coverage that began and ended with its most famous resident, Socialist author Upton Sinclair. Early that summer, Sinclair had invited his friend and poet Harry Kemp to stay with him and his wife Meta in their "Jungalow." Sinclair had moved to Arden after the demise of his own socialist utopian experiment at Helicon Home Colony.[86] Kemp apparently fell in love with more than just the village—in his 1922 memoir, *Tramping on Life*, Kemp referred to Arden as Eden.[87] At the end of his stay, Kemp left Arden with Sinclair's wife, forcing the author to file for divorce. The affair attracted national attention and the press rebranded Arden a colony of free love.[88]

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[83] *The Arden Book*, 6-7. According to the *Arden Book*, Stephens built the Arden Theater before constructing his own home.

[84] "Impressions of a Visiting Scribe" *North American Philadelphia* reprinted in *Arden Leaves* (November 1910), 10. Papers of Frank and Donald Stephens, Delaware Historical Society.

[85] *The Arden Book*, 8.

[86] Taylor, "Utopia by Taxation," 323-4. According to Taylor, Stephens built Sinclair's home at Arden and the residents nicknamed it the "Jungalow."

[87] William P. Frank, "Harry Kemp Death Recalls Arden's 'Free Love' Scandal" *Wilmington Morning News* (Aug. 10, 1964) in Arden Papers, Delaware Historical Society.

[88] See "Wife's Freedom Galls Sinclair" *The Oregonian* (Sept. 4, 1911), 3; "Kemp Drifted into Love" *Kansas City Star* (Dec. 27, 1911), 6; ""Free Love a Delusion, I Know," Meta Sinclair" *The Philadelphia Inquirer* (Aug. 1, 1915); 2; and, Frank, "Harry Kemp Death Recalls Arden's 'Free Love' Scandal" *Wilmington Morning News* (Aug. 6, 1960).

After the affair, Arden apparently tried to suppress some the ideas and actions of its more radical residents. The effort backfired. At a summer 1911 meeting of the Arden Economic Club, residents called the local police to arrest Arden resident George Brown for disrupting the meeting. Brown, an "anarchist shoemaker" and longtime confident of Emma Goldman, had apparently tried to use the public meeting to express his rather unconventional theories of sexuality.[89] In retaliation for his arrest, Brown later had a number of Arden residents arrested for violating Delaware's Blue Laws by playing baseball on the Sabbath. Previously the victim and now the hero, Sinclair, one of 11 arrested and jailed for the incident, vowed to launch a campaign to repeal the law that landed him in jail. Additionally, he penned a poem from his jail cell decrying the conditions of prison life. (See sidebar) Reports of Sinclair's arrest and the entire Brown-Baseball incident flooded

The Menagerie

Oh, come ye lords and ladies of the realm,
Come from your couches soft, your perfumed halls,
Come watch with me throughout the weary hours
Here are here sounds to fill your jaded nerves,
Such as the cave men, your forefathers, heard,
Crouching in forest of, primeval night.
Here tier on tier in steel-barred cages pent
The beasts ye breed and hunt throughout the world.
Hark to that snore—some beast that slumbers deep.
Hark to that roar—some beast that dreams of blood,
Hark to that moan—some beast that wakes and weeps;
And there in sudden stillness mark the sound—
Some beast that rasps his vermin-haunted hide.
Oh, come ye lords and ladies of the realm.
Come keep the watch with me. The show is yours.
Behold the source of all our joy and pride.
These beasts ye harness fast and set to draw
The chariots of your pageantry and pomp.
It is their blood ye shed to make your feasts.
It is their treadmill that moves all your world.
Come sit and think how it will be with you
When God shall send His flaming angel down
And break those bars. So hath He done of yore
So doeth He to lords and ladies grand,
Who feed upon the blood of other men—
And loose these beasts to raven in your streets.

Poem Reprinted from "Prison Life Drives Sinclair to Poetry" *The New York Times* (Aug. 3, 1911), 3.

[89] H. Wiencek, "Laying out the idyllic life in a latter-day Arden" *Smithsonian* 23:2 (1992), 130.

Northeastern newspapers. Arden, once again, found itself at the center of a story that had nothing to do with the single tax.[90]

Press coverage that connected Arden to Henry George and the single tax usually focused on the actions of trustee and founder Frank Stephens, who enjoyed a strong media presence prior the colony's establishment. Besides the single tax, Stephens actively campaigned against the tariff, the American-Filipino War, and vivisection. His activism was neither unusual for George supporters nor helpful to the image of single taxers. Stephens' tendency to speak his mind and willingness to break the law contributed to the portrayal of single taxers in the press as "cranks." On the other hand, his passion earned the confidence of prominent single taxers, such as those in the Philadelphia Club who selected Stephens to lead the Delaware campaign and Joseph Fels who trusted his vision for Arden.

In the press, his frankness provoked charges of treason. No more so than after Stephens' speech at a dinner of the Manhattan Single Tax Club in February 1900, in which announced that he prayed for the defeat of the U.S. military in the Philippines and blamed the President for the deaths of the war:

> It is ridiculous to attempt to scatter the blame for the atrocities that have been perpetuated in the Philippines. The sin lies at the door of one man, and on many only, that murderer, William McKinley. He predicted the trouble; he took the reins of the government into his own hand. He made himself emperor for the unholy purpose. We do not wish to blame the Republican party nor the administration; we must blame the head and front of this whole affair, the President of the United States. Let us not hesitate to publish to the whole world our opinions of the butcher who menaces the institutions of our country. Let there be no doubt that we now where the trouble lies.[91]

[90] See "Anarchists Turn Now" *The New York Times* (Aug. 1, 1911), 3; "Arden Stirred by Brown's Warrants," *the Philadelphia Inquirer* 165 (Aug. 1, 1911), 2; "Ardenites Prefer Jail to $4 Fines," *The Philadelphia Inquirer* 165 (Aug. 2, 1911), 2; and, "U. Sinclair Takes to Crime and Rime," *The Philadelphia Inquirer* 165 (Aug. 3, 1911), 2.

[91] "M'Kinley Flayed by the Ants," *New York Morning Telegraph* (February 3, 1900).

Editors across the country censured Stephens and demanded that he retract his statements. Stephens refused to apologize and instead, used the increased media attention to clarify his position on the Philippines and others related to the nation's land policy. "The Filipinos have just as much right to fight for their country as we did for ours," the *Wilmington Evening Journal* quoted Stephens, "The United States cannot show any free and clear title to the islands. They were purchased from a people who had no right to sell them."[92] Similar to other single taxers, Stephens connected the "land question" to foreign policy and the issue of overseas territorial expansion.[93]

Stephens' loyalty to the country was again put on trial 18 years later when he was arrested for violating the Espionage Act. According to a Liberty Bonds saleswoman, Stephens made derogatory comments toward her and her partner, calling both of them murderers, when they attempted to sell war bonds in Arden. Although a jury acquitted Stephens, the episode reaffirmed his resolve to exercise his right of free speech despite the consequences.[94]

The failure of Arden's experiment in the single tax did not damper Stephens' commitment to George's ideas. When it became clear that Arden residents no longer desired to collect the full economic value of land, Stephens resigned as trustee. In 1922 he purchased land next to the village and set up a new colony called "Ardentown." As he intended to do with Arden, Stephens founded Ardentown to demonstrate the advantages of a full rent community. Although the two villages were nearly identical, Stephens unsuccessfully campaigned for their incorporation. Ardentown eventually adopted the former's practice of collecting only as much

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[92] "Stevens Will Not Retract," *The Wilmington Evening Journal*, n.d. in Arden Papers, Delaware Historical Society.

[93] This connection will be flushed out in an early chapter of the dissertation.

[94] "Frank Stephens is Held for Espionage" *The Philadelphia Inquirer* (May 7, 1918), 15; "Claims Espionage Act is Unconstitutional" *The Philadelphia Inquirer* (June 5, 1918), 6; and, "Jury Acquits Frank Stephens of Spy Law Violations" *The Philadelphia Inquirer* (June 23, 1918), 5.

land rent needed to cover taxes, expenses and an occasional community project. Once again, a demonstration of the single tax failed. Although Stephens conceded defeat, he maintained his commitment to the single tax and the power of intentional communities until his death in 1935. In his last will and testament, Stephens set aside $25,000 for the establishment of a "settlement for Negroes on the plan of Arden village and its credit union." In 1950, Delaware became the first state to voluntarily integrate its schools with the establishment of the third Arden village at Ardencroft.[95]

The failure of Arden and Fairhope to become full rental enclaves validates Henry George's skepticism toward single tax colonies. While the founders of Fairhope and Arden never ceased to believe in the mission of their experiments, both attracted residents who did. Thus, single taxers faced the tough decision of whether to stay the course or adapt to the evolving views of the entire community. Both Fairhope and Arden chose the latter. Even in failure, both colonies developed into desirable places to live and constructed lasting institutions that help keep George and the single tax in public discussions. The histories of Fairhope and Arden represent an important chapter in the life of George's ideas. The difficulties colony leaders faced calculating and collecting land rent reflected those predicted by single tax critics. On the other hand, the colonies' ability to provide free and discounted public services to its residents demonstrated one of the many benefits of deriving local revenue from land rent anticipated by George's supporters. Additionally, both Fairhope and Arden inspired social developments unpredicted by either side.

[95] Harris, "Lessons from Attempted Utopia," 38; O'Shea, *A History of Arden*, 33-34; Frank Stephens, "Last Will and Testament" *The Homestead* (April 4, 1917) in Arden Papers, Delaware Historical Society; and, H. Wiencek, "Laying out the idyllic life in a latter-day Arden," 132.