

# The Fairhope Colony

by C. A. GASTON

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THOUGH ACTUALLY LAUNCHED AS A COMMUNITY IN January 1895, Fairhope, Alabama, owes its birth to the economic crisis of 1893. The idea was conceived in Des Moines, Iowa, by a small group of men whose common convictions and personal friendship brought them frequently together. Believing that such economic crises as the one through which they had just passed were due to the defects in the politico-economic structure of our nation, they sought a remedy. Like the socialists, they had come to the conclusion that private monopoly constituted the greatest hindrance to the orderly progress which they believed should result from increasing efficiency in the field of production. But, unlike the socialists, they could not believe that substituting government monopoly for private monopoly would bring about the progress of which man is capable. It was then that they came upon the proposals of Henry George as set forth in his book, *Progress and Poverty*. So convinced did they become of the soundness of George's principles that they determined to put them to the test of application.

They had no expectation that they could, in any near

future, get the proposed reform adopted in any established American community. Their thought was, rather, to establish a *new* community under conditions that would guarantee the use of the rent of land for the provision of public revenue.

Henry George had envisaged the adoption of his plan through the successive abolition of other taxes and the concomitant increase of the tax on land values until this tax took nearly all of the annual rental value of the land for public purposes. But he intended that title to land should remain in private hands (ownership in fee simple) as now. The owners would pay, in taxes, substantially all the rent or rental value of their land, as such, but would be free of taxes on buildings and all other improvements.

In order to come as close as possible to this ideal before public opinion generally was in favor of it, the founders of Fairhope meant to keep the land in the new community in the formal possession of their corporation, which they called the Fairhope Single Tax Corporation.<sup>1</sup> Its trustees would then make sure that land values would, so far as possible, pay for public expenditures and take the place of other taxes. Beyond that, the provisions of state constitutions and legislation would perforce apply, and taxation in the new community would have to conform to the prevailing pattern.

To carry out their proposal, a corporation charter was secured, and to supply the corporation with funds to defray expenses and buy land, a membership fee of \$200 was provided. A location committee of three was

<sup>1</sup>A name it still bears.

then dispatched to look for a site upon which to locate their "Fairhope." Most favorably reported was the site now occupied by the colony on the eastern shore of Mobile Bay, in Baldwin County, Alabama.

Through the corporation's publication, *The Fairhope Courier*, the group awakened widespread interest in their proposal, and shortly after the announcement of the selection of a site, prospective colonists headed for Baldwin County. The first to arrive were from Iowa, Minnesota, Ohio, Pennsylvania and the Pacific Coast.

Early in November 1894 they assembled at Battles Wharf, a shore community about two miles south of the chosen site. Their first concern was to secure title to some land. In the first days of January 1895 they took possession of 135 acres with 2,800 feet of frontage on Mobile Bay. The price paid was \$771, less than \$6 an acre. Later in the year they added 20 acres more on the bay with 800 feet frontage and about 200 acres with no bay frontage. The bay-front land cost them \$10 an acre, but the maximum price paid for the inland land was \$1.25 an acre.

In 1897 title was secured to an additional 320 acres inland. There were no further additions until 1900, when the colonists had some funds available from new memberships, the charge for which had been reduced to \$100, and from a Single Tax Land Fund, largely contributed to by friends of the idea. Almost every year from 1900 to 1907 saw the colony's holding increase in area.

Fairhope was far from being an ideal site on which to launch such an experiment. It offered almost none

of the essentials necessary to support a modern economic structure: the land was poor for agricultural purposes; there was not, nor has there been, any indication of sub-surface minerals; the site was not well located with respect to the nearest trading center, Mobile. The main attractions were a mild climate and a favorable location on Mobile Bay.

The colony is organized as a non-profit corporation. For an initial charge of one dollar the corporation leases lots on the 99-year basis. The executive council then determines the rental value of each lot and collects, semi-annually, the determined amount. The revenue thus derived is used in part to pay certain of the taxes which fall upon all of us as members of an organized community. (It had long since been recognized that neither at present nor in any calculable future would the colony, as such, be able to pay all of the taxes to which its residents, as parts of a nation which was increasing rather than decreasing its tax burden, would be subject.) The principal taxes of which the Fairhope lessee is relieved are poll taxes and property taxes, real and personal, levied by state, county and municipality.

What is left of the rent fund after payment of these taxes—and in a normal year about half of it remains—is used for public improvements. So far this residue has been adequate, even abundant, and has allowed the colony to grow wholesomely, rapidly and steadily.

In point of age, fertility of soil and nearness to transportation, Fairhope ranks poorly with her neighbors. When the colony was founded, Daphne, five miles to the north, and Battles Wharf, two miles to the south,

both also fronting on Mobile Bay, were already established as resort communities, and Daphne was the county seat. The nearest principal inland communities are served by the Louisville and Nashville Railroad and are well disposed for agriculture. Yet Fairhope has outdistanced all of them in growth. That this is due to the corporation's policy of destroying land speculation and making sites available to all who wish to use them, free of charge, seems decidedly probable. Daphne and Battles Wharf have practically ceased to be resort centers, and their total population is less than one fifth the population of Fairhope, which has been called a "charm spot" of the South.

To see the steady growth of Fairhope, one has only to look at the census returns:

1910 .....	590
1920 .....	853
1930 .....	1,549
1940 .....	1,837
1950 .....	3,359

The greatly accelerated gain during the war years was primarily due to the influx of war-industry workers who commuted to their jobs in Mobile. Other Baldwin County towns shared in this growth, but none grew as rapidly as Fairhope.

Another point to be noted is that practically every street in the city, as well as several miles of country roads, are paved, a record that can be envied but not approached by most of the other southern communities of like size.

It must be pointed out that not all the land composing the present incorporated city of Fairhope is colony-

owned. After the colonists had established a community that showed promise of permanency, outsiders were attracted to adjacent land and several real estate interests bought tracts that the colonists had been unable to purchase because of their limited finances. These tracts were subdivided and sold in fee simple. Colony land now comprises only a fifth of the total city area, but upward of 60 per cent of the population of Fairhope lives on it. And, while there are plenty of undeveloped lots within the city limits with many fee simple owners willing to sell, preference for colony land is still quite apparent. For here new settlers find access to land without the payment of a speculative purchase price, and those with limited capital at their command can invest it in things that will accomplish a current return.

The colony now has about 4,000 acres net, of which approximately nine tenths is rated as agricultural land. All of the agricultural land is presently leased, as is practically all of the most desirable and most accessible of the urban land. However, this does not mean that there is not room for more on the existing colony land. Increases in population bring increased demand for land, which raises its rental value. Increased rental charges on land stimulate its more intensive use, and lessees find that the larger community has created new opportunities that enable them to supply their needs and gratify their desires with the use of smaller holdings.

An example is the first leasehold to be occupied in the colony. It comprised two and one half acres and is now one of Fairhope's principal business blocks. The original lessee of these two and one half acres first built a shelter

for his family. It could hardly be called a residence by present standards. The family moved in in the latter days of January 1895, though the building was far from complete. The lessee then cleared the land of the young pine trees that completely covered it and removed the stumps of larger trees that had been logged off some years earlier.

After building a rail fence to keep out the stock that ran on the open range, a garden was planted and orchard trees were set out to provide fruit. The lessee built a barn to house his livestock and a place for chickens. Very soon a cow and chickens were supplying milk and eggs for the family table, and in a few short weeks vegetables were being taken from the garden. Within a year the lessee was supplying a large part of his family's need for food from his leasehold, supplemented by crabs and fish from Mobile Bay.

Only for a few years was it profitable to occupy this land as a subsistence homestead. Business made demands for the land that was in garden and orchard, and the rent started to climb from the \$5.75 per annum the lessee paid in 1896. He established a business for himself next door to his residence and transferred portions of his leasehold to others as demand for like use developed. After a few more years demands for business sites in this block caused the lessee to get a home elsewhere and sell his residence building for commercial use.

By 1906 transfers to others had reduced his leasehold to about one fourth of an acre, or one tenth of what he had originally occupied. On this reduced leasehold he was then paying an annual rent of \$20.05. However, the

lessee, using only one tenth of the land he had originally occupied, enjoyed an increased earning power as a result of the growth of the community. He was able to raise the standard of living of his family by his utilization of opportunities that had not existed when the colony was started.

Since the lessee's business was the publication of the local paper and the operation of a job printing shop, every new business established on land that he gave up brought new business to his shop. He made one further transfer that reduced his leasehold to a little less than one fifth of an acre, but held his lease to that until his death in 1937.

Today three of that lessee's children are employed on this reduced leasehold, as are several others. There is not one whose income does not enable him to maintain for his family a higher standard of living than the original lessee could provide from the application of his own labor to the entire block of two and one half acres. The 1950 rent on this leasehold of less than one fifth of an acre was \$214.56, and on the two and one half acres it was \$3,022.74.