

ENCLAVES OF ECONOMIC RENT

Address by Fiske Warren (Tahanto, U.S.A.)

(At the Oxford International Conference on 18th August)

If you desire a foretaste of the happy state, which is so soon to come about as the result of the efforts of this Conference, listen to a tale of eight enclaves, where single-tax exists in practice,—not completely, it is true, but in substance; covering eight square miles, or twenty square kilometres, including a population varying according to the season of the year from 2,000 to 4,000, and yielding a rent of £5,000. You may say that these figures are unimportant. I agree with you. Considered by themselves they are unimportant. But, considered with relation to what they stand for, they are otherwise. Is it unimportant that 2,000 persons are living not under the system which we loathe, but under a system which we are all here to help to bring into being? Is it unimportant that eight square miles—the only ones on earth above the rent-line—are free from monopoly and special privilege? Finally, is it unimportant that in them we have a demonstration that will convince the man in the street, the man who does not read and does not argue, in short the non-theoretical man, who yet is able to see that the man within the enclaves is more free, more prosperous and more happy than the man outside?

In 1895 a band of pilgrims made their way from Iowa to the shore of the Bay of Mobile, in Alabama. In one respect it was like the band of Pilgrim Fathers, who landed from the Mayflower on the shore of the Bay of Massachusetts. Each sought the opportunity to practise freely their faith. The faith of those from Iowa was single-tax. Like the Pilgrim Fathers, also, they had great vicissitudes, and, at one time, only one family of the original band was living on the premises—the family of Ernest Gaston, who still to-day is the leading spirit of Fairhope, the oldest, largest and most important of the enclaves. He is the father of the enclavial movement, and we sorely miss him to-day.

Then there followed, in 1900, Arden, in Delaware, founded by Frank Stephens, whom we are fortunate to have among us here. Through all these intervening years he has so stamped his fine qualities upon Arden that to-day it is the most artistic and attractive of the enclaves. And, indefatigable still, last year he founded the enclave of Ardentown, adjoining Arden.

A daughter of Arden is Free Acres, in New Jersey, founded in 1910, over which the geniuses who preside are Mr. Bolton Hall and Miss Ami Hicks. I will revert to Free Acres later.

Then there are three other enclaves in the United States, two in Massachusetts, Tahanto and Shakerton, and one in Maine, five miles from Portland.

Finally, there is Sant Jordi, the smallest of the enclaves, but the one that has the greatest future before it, for Andorra is embarrassed by no custom-house, and no customs officer, indeed, can be seen anywhere. Andorra is the only country in the world that has absolute free trade, and—I shall not object, if, in these two facts, you discover cause and effect—it is the only country in the world, so far as I know, which has been at peace for a thousand years.

All these enclaves exist by no legislation whatever. No one of them has a charter, no one of them any special act, no one of them any subvention from public funds. They operate under the right of private contract. I suppose I am asked the question, oftener than any other, how it is possible to implant, in a region, an enclave of single-tax while all around it in the rest of the region is the old system? It is all very simple. The trustees own the land and hold it for the general advantage. They let the land to lessees for the period of ninety-nine years. Each lessee owns his own house and other improvements, including trees, tillage, and all constructions on, in or under, the

ground. Indeed, his ownership is so complete that nothing remains to the trustees except the bare site. Then comes the contract. The lessee agrees to pay the economic rent, which is revised as often as necessary, usually once a year. The trustees, on the other hand, agree to use the economic rent for the payment of taxes. Is this not plain, and is it not a case of simple contract?

But, now, do these enclaves in fact produce the effects of single-tax? And here, as I have said before, I must admit that we do not pay all the taxes. We do not pay the tariff-tax where there is one, a great omission. Of course, there is none in Andorra. We do not pay the stamp-taxes on notes and the registration of real estate. We do not pay the tax on amusements.

But I suppose there is no one in this hall, who would not recognize it as a noteworthy fiscal reform, if he could persuade his country to untax all improvements. That we do. I do not say it is single-tax, for it is not, but that it is a great fiscal reform.

Then I do not suppose that any single-taxer would not consider it a much greater achievement, if he could persuade his country to collect all the economic rent. That we do also. And we do not wait to collect it, we collect it at once. That would be recognized as almost the whole of single-tax.

But we go further. We pay the school-tax. We pay the tax on all tangible property, including livestock and equipment, located within the enclave. In general we pay the poll-tax, and, in Tahanto at least, we pay half the income-tax levied by the state of Massachusetts, on the one hand, and the federal Government at Washington on the other.

Is it difficult to found an enclave? Not at all. It does not require a great corporation, as in the case of the garden-city of Letchworth. All the enclaves were small when they began. Listen to the figures: Fairhope began with 135 acres; Arden with 165; Ardentown, 110; Free Acres, 65; Tahanto, three-quarters of an acre; Shakerton, seven; Halidon, 120; and Sant Jordi, two and a-half. That makes 600 acres in all, but they contained the principle of growth, and to-day they are 5,000 acres. Thus to form an enclave does not even require a strong, financial group. Even one man suffices.

My friend, Bolton Hall, speaks after me on the topic: "I am only one man." But, fearing lest his modesty may prevent him from describing what, in my opinion, is one of the best things which he, as only one man, ever did, I am going to say that, at one time, he conceived the idea of serving single-tax, and also of doing a good turn by himself, and, having property in New Jersey, about 30 miles from New York, he made a gift of a part to the enclave of Free Acres, with the idea that the increase in the value of the rest of his property, due to the coming of population, would leave him as rich as before, notwithstanding his gift. Thirteen years have passed, and he now declares that experience has confirmed his anticipations.

Now for the financial aspect. As single-taxers, I think you all recognize that single-tax not only makes a man free and happier, but it also makes him more prosperous. That additional prosperity puts more funds into the treasury, and we find that, with our revenue, we can do three things. In the first place, we can pay the taxes. In the second place, we can pay interest and amortization on the purchase-price of whatever land does not come by gift. In the third place, we have money remaining with which to improve the property to a degree much greater than it would have been improved by public funds, had it remained under the old system. Some of the land came by gift, chiefly from Mr. Fels, of honoured memory.

I have said only those things which I believe all enclavians here will support.

The monopolists of scripture were said to lay field to field until they dwelt alone in the land, and my plan is to lay field to field until the system of single-tax shall remain alone in the land.