

Morning Session—18th August

CHAIRMAN: MR. ALEX. MACKENDRICK

ENCLAVES OF ECONOMIC RENT OF FAIRHOPE, ARDEN, TAHANTO, HALIDON, FREE ACRES, SANT JORDI, SHAKERTON AND ARDENTOWN: HOW TO OBTAIN SINGLE TAX WITHOUT LEGISLATION

ADDRESS BY MR. FISKE WARREN

The CHAIRMAN introduced the three principal speakers, Mr. Fiske Warren, Mr. Bolton Hall and Mr. Frank Stephens, by remarking that he had himself resided in America during the eventful years from 1914 to 1919, and had become an enthusiastic American in spirit, in sympathies and in general outlook. He had been privileged to act for two years as Secretary to the Massachusetts League for the Taxation of Land Values; and speaking with his intimate knowledge, he assured them that among the responsible economic reformers in the Eastern States of

America, no names were held in higher esteem than those of the three gentlemen with him on the platform.

MR. FISKE WARREN said:—

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

“Section 11.—The members of this Committee (15 to 20 members) are elected by the Town Council for each single period of taxation. The Committee elects its Chairman, the chief of the Valuation Office reports the cases before the Committee, but is not entitled to vote.

“Section 12.—The cases are to be dealt with street by street. The parties shall be invited and are entitled to plead.

“It should be inserted that the sittings shall be held in public.

“Section 13.—Third legal competence: appeal (on matters of law) before the National High Court within 15 days after the decision given by the Committee of Appeals.

“Section 14.—The rate of assessment is yearly one-half per cent of the ascertained capital value.

“There is with us, as you see once more, no discrimination whatever as to the nature of land subject to taxation. Our Statute knows nothing of ‘agricultural land’ or ‘building sites’; it knows nothing of ‘developed or undeveloped,’ of ‘well-used or under-used land,’ and so on; it only knows values. Nor is there gradation in the rate of tax. Our tax is a uniform and unvarying land value tax of 0.5 per cent yearly on all land, whether used or not, improved or not, owned by present or absent owners, etc. With this small land value tax the first and decisive step is taken and the rent is *in principle* given back to the people, and if for the present and for a while the people choose or we choose to draw only for a part of *their* rent, it is not because of lack of courage, or in order to spare the landowners or cheat the people, but because we don’t know and because nobody knows the amount of the economic rent under the quite new circumstances to be treated by full Georgeism. And because of that we may be sure that if we insisted upon taking ‘the whole at once,’ we would obtain, instead of the whole and at once, nothing and never, and only stultify and kill Georgeism. Against that view the contention has been urged that if a *fraction* of the rent can be taken, as we mean to do it and as I have done it, that then also it must be possible to take the *whole*

of the same rent. But this I must regard, at any rate as to the objective content of the assertion, as a mere joke, because what we are taking is clearly a fraction of a *present and well-known* quantity easily ascertained, whereas the argument for 'all-at-once' assumes you can take the whole of a *future and quite unknown* quantity, impossible to ascertain at present.

"Section 15.—The site value rate is a first charge on the estates.

"This needs no explanation.

"Section 16.—Part-owners of sites are jointly and severally responsible for the tax.

'Our standpoint is that part-owners shall and will divide the charge between themselves according to their share in the partnership and according to general civil laws. That is a matter of course and needs no special and expressed provision. Long leases (99 years) with reversion as instituted in England are unknown with us.'

The several other provisions of the Statute were described and explained, including the important *Section 20*, which provided that from the day on which the land value tax came into force (1st January, 1919) one of the existing taxes upon house-rent, namely, the 'additional pence' was reduced from 3 per cent to $1\frac{1}{2}$ per cent of the house-rent. The law thus enacted a Land Value Tax and devoted the revenue to the reduction of taxes on houses.

APPRECIATION

Dr. Pikler's address made a profound impression on his audience, and speakers in the subsequent discussion were glad to express their hearty appreciation of his informing treatment of the subject, especially complimenting him on the way in which he had dealt with questions of controversy.