

March - April 1934 FSTC Correspondence

LAW OFFICE  
ABE D. WALDAUER  
BANK OF COMMERCE BUILDING

ABE D. WALDAUER  
HUGH N. CLAYTON

MEMPHIS, TENNESSEE

March 6, 1934.

Mr. E. B. Gaston,  
Fairhope, Ala.

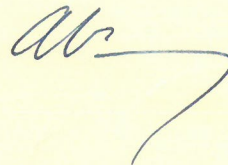
Dear Mr. Gaston:

Answering yours of March 3d, there is enclosed  
herewith copy of letter today being written Senator McKellar.

If I can do anything further on the matter, do  
not hesitate to command me.

ADW:G

Fraternally yours,





March 6, 1934.

Senator Kenneth McKellar,  
Senate Office Building,  
Washington, D. C.

My dear Senator McKellar:

There are fifteen single tax colonies or enclaves in the world. The oldest is located in your native state of Alabama; and ten of them are in the United States.

More than ten thousand citizens reside in these colonies.

The legal set up is generally as follows:

The colony, which is either a corporation or a trust, owns all of the land within the enclave, and leases its land under a ninety nine year lease for "economic ground rent." This means the bare usable site value of the land, exclusive of any improvements in or on land.

The rent thus collected is used to pay all taxes, both state and county, against land and improvements.

Improvements are privately owned and placed on the land by individuals.

There is a defect in the law permitting loans which are eligible to the Home Owners Loan Corporation. This defect is that no provision is made, apparently, to make loans to homeowners that have utilized the lands of these single tax colonies.

So far as I know, Fairhope, Alabama, is the only state where the problem is pressing; but it may develop with other colonies.

I would suggest that the law be amended so as to provide that leases for a term of fifty years or more, under which the tenant has the right to remove buildings or other valuable



- 2 -

improvements upon the termination of these leases, should be made available to loans under the act.

The group at Fairhope is communicating with Senator Black and Congressman Lister Hill on this subject. I would assure you that if you can help them in any way in securing this amendment proposed, it would be greatly appreciated by me.

I am asking no radical departure from the existing law. My suggestion merely contemplates that leaseholds for fifty years or more, whether located on single tax colonies or privately owned, together with the improvements thereon, should be made available to loans by the HOLC; and that this corporation should likewise come to the aid of distressed homes which may be built upon leaseholds, where the tenure is for fifty years or more.

With best personal wishes, I am

Truly your friend,

ADW:G



March 6, 1934.

Mr. Joseph Dana Miller,  
c/o Land & Freedom,  
150 Nassau Street,  
New York, N. Y.

Dear Joseph Dana Miller:

You will be interested in the enclosed letter  
to Senator McKellar.

This reflects a real problem in Fairhope; and  
it occurs to me that this is a matter on which the New York  
group might help.

Very truly yours,

ADW:G



HOME OWNERS' LOAN CORPORATION  
WASHINGTON

March 10, 1934

Honorable Kenneth McKellar,  
United States Senate,  
Senate Office Building,  
Washington, D. C.

Re: Single Tax Colonies

Dear Senator:

Your letter of March 8, to Mr. Webb, together with letter from Mr. Abe D. Waldauer of March 6 to yourself has been turned over to me for reply.

It is indeed a matter of great regret that the Corporation finds itself unauthorized by law to make the desired loans on the single tax colonies mentioned in the letter. However, as it is understood here, the title of the individual applicant is merely a leasehold, and not a fee simple, and the leasehold interest itself is generally not under a renewable lease for not less than 99 years.

The Act itself requires in the case of an application having only a leasehold interest, that such leasehold be "under a renewable lease for not less than 99 years." As represented to this Corporation, none of the leases in these tax colonies are renewable leases within the meaning of the Act. The Act apparently had reference to the leaseholds so common in Baltimore.

I am returning Mr. Waldauer's letter.

Yours very truly,

*W. T. Stockton*

W. T. Stockton,  
Asso. Gen. Counsel.



KENNETH McKELLAR, TENN., CHAIRMAN  
PARK TRAMMELL, FLA.  
CARL HAYDEN, ARIZ.  
GEORGE MCGILL, KANS.  
JOSIAH WILLIAM BAILEY, N.C.  
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JOHN E. ERICKSON, MONT.  
JOSEPH C. O'MAHONEY, WYO.  
THOMAS D. SCHALL, MINN.  
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FELIX HEBERT, R.I.  
ROBERT M. LA FOLLETTE, JR., WIS.  
W. WARREN BARBOUR, N.J.  
JAMES J. DAVIS, PA.  
ERNEST W. GIBSON, VT.

## United States Senate

COMMITTEE ON  
POST OFFICES AND POST ROADS

March 12, 1934

Honorable Abe D. Waldauer,  
Bank of Commerce Building,  
Memphis, Tennessee

My dear Abe:

I am now enclosing a letter from Mr. Stockton  
of the Home Owners Loan Corporation which is self-  
explanatory.

With kindest personal regards,

Sincerely your friend,

*Kenneth McKellar*



LAW OFFICE  
ABE D. WALDAUER  
BANK OF COMMERCE BUILDING

*McKellar*  
*Hill*  
*Black*

ABE D. WALDAUER  
HUGH N. CLAYTON

MEMPHIS, TENNESSEE

March 15, 1934.

Mr. E. B. Gaston,  
Fairhope, Ala.

Dear Brother Gaston:

Attached is letter from Senator McKellar,  
together with enclosure.

Let me know if I can do anything further  
in the matter.

Of course, it goes without saying that if  
I can help, you have only to command me.

ADW:G

Fraternally yours,

*Abe Waldauer*



C O P Y

March 17th, 1934.

Hon. Lister Hill,  
Member of Congress,  
Washington, D. C.

My dear Mr. Hill:-- - Fairhope and Home Owners' Loan Corporation-

We take the liberty of enclosing copies of letters written today to Senator Black and Representative Huddleston. This refers to a situation with which you are, no doubt, familiar, as Mr. Gaston and Mr. Beebe have, no doubt, been in correspondence with you.

You are familiar with the governmental machinery at Washington and will no doubt be able to draft a short amendment that might be passed by the present congress so as to relieve the situation as to renewable leases and make it possible to accept a lease to the limit of the period permissible under the state law.

The people of Fairhope will certainly appreciate any assistance that you can render and the writer is taking the liberty of writing you as he is a property owner in Fairhope, but has no interest in any pending loan, but only an interest in the welfare of the colony itself.

Very truly yours,

fac/n



C O P Y

March 17th, 1934.

Hon. Lister Hill,  
Member of Congress,  
Washington, D. C.

My dear Mr. Hill:-- - Fairhope and Home Owners' Loan Corporation-

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The people of Fairhope will certainly appreciate any assistance that you can render and the writer is taking the liberty of writing you as he is a property owner in Fairhope, but has no interest in any pending loan, but only an interest in the welfare of the colony itself.

Very truly yours,

fac/h



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March 17th, 1934.

Hon. Lister Hill,  
Member of Congress,  
Washington, D. C.

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The people of Fairhope will certainly appreciate any assistance that you can render and the writer is taking the liberty of writing you as he is a property owner in Fairhope, but has no interest in any pending loan, but only an interest in the welfare of the colony itself.

Very truly yours,

fac/h



March 17th, 1934.

Hon. Lister Hill,  
1428 House Office Building,  
Washington, D. C.

Dear Mr. Hill:-

Thank you very much for yours of the 13th, enclosing letter from Mr. A. R. Hutchison, "Assistant General Manager" of the Home Owners' Loan Corporation, (who appears on the scene for the first time to our knowledge) in the matter of our endeavor to secure the benefits of the H.O.L.C. to distressed holders of homes on land leased of our Corporation, holding that the same is not possible under the wording of the act; while Mr. James H. Webb, of Mobile, District Attorney for that Corporation, Mr. Beebe, attorney for Baldwin County for the same, and Mr. J. Chandler Burton, assistant attorney for Alabama for the corporation, with office at Birmingham, all hold that there is room for an interpretation of the law as it exists, which would cover such leases.

You express your desire to "do anything which can be done" which we assure you is greatly appreciated and ask "what do you or your attorney suggest <sup>which is</sup> to get the H.O.L.C. act amended.

Mr. James H. Webb, who has been our attorney during the existence of our Colony here and is district attorney of the H.O.L.C. suggests an amendment to the act "to the effect that leases for a term of fifty years or more, under which the tenant has erected buildings and other valuable improvements on the premises, with the right to remove the same on termination of the Lease, shall be eligible."

My own idea is that the act be amended by simply striking out the word "renewable" which would leave it as follows: "A leasehold under a lease for not less than 99 years", etc.

But I raise the question, why demand a lease for 99 years or more, to secure a loan, which is to be repaid within 15 years; and the basis for bonds which are to be paid in 17 years, all by and through an organization which is concededly an emergency proposition, the necessity for which will, it is hoped, be over within a few years?

It was interesting to note that Mr. Hutchison, who



Hon. Lister Hill, - - #2 - - Mar. 17th, 1934.

wrote you, having <sup>shown</sup> our form of lease before him, made no objection to any of its unusual conditions but based his objection solely to the provision for its "term of 99 years".

He concedes that the requirement of a renewable lease for not less than ninety-nine years" prevents making any leases in Alabama; so it is not only loans on our corporation leases but all other loans on leases that are made impossible under the law, *in this state*

Senator Kenneth McKellar, of Tennessee, has been drawn into the effort to secure a modification of this bill, through his and our very good friend, Mr. Abe D. Waldauer, of Memphis, Tenn., to whom Senator McKellar referred a letter received by him from Mr. W. T. Stockton, who is "Asso. General Counsel" of the H.O.L.C., concluding which he says: "The Act apparently had reference to the leaseholds so common in Baltimore", but no particulars of which I have been able so far to get hold of.

Our good friend, Mr. F. E. Curtis with the Woodward Iron Company of Birmingham, has interested himself in this matter and in a letter to Senator Black, copy of which he sent me, says, "I called at the H.O.L. Corporation Friday A.M., and talked with Mr. W. G. Stone, attorney for the Corporation. He had spent a great deal of time and work on the Fairhope case trying to persuade Washington to change. Both he and Mr. Burton believe the Colony lease should be accepted and you can count on their cooperation."

Is it necessary that we have an attorney at Washington to represent us in this matter?

Appreciating most deeply your friendly interest in this matter,

Most sincerely yours,

FAIRHOPE SINGLE TAX CORPORATION,

By

E. B. Gaston, Secretary

EBC/W



C O P Y

March 17th, 1934.

Hon. Lister Hill,  
Member of Congress,  
Washington, D. C.

My dear Mr. Hill:-- - Fairhope and Home Owners' Loan Corporation-

We take the liberty of enclosing copies of letters written today to Senator Black and Representative Huddleston. This refers to a situation with which you are, no doubt, familiar, as Mr. Gaston and Mr. Beebe have, no doubt, been in correspondence with you.

You are familiar with the governmental machinery at Washington and will no doubt be able to draft a short amendment that might be passed by the present congress so as to relieve the situation as to renewable leases and make it possible to accept a lease to the limit of the period permissible under the state law.

The people of Fairhope will certainly appreciate any assistance that you can render and the writer is taking the liberty of writing you as he is a property owner in Fairhope, but has no interest in any pending loan, but only an interest in the welfare of the colony itself.

Very truly yours,

fac/h



March 17, 1934

Hon. Lister Hill,  
Washington, D.C.

Dear Mr. Hill:-

Thank you for yours of 13th, enclosing letter from Mr. A.E. Hutchison, "Assistant General Manager" of the Home Owners Loan Corporation, who appears on the scene for the first time, to our knowledge, in the matter of our endeavor to secure the benefits of the HOLC to distressed holders of homes on land leased of our Corporation, holding that the same is not possible under the wording of the act; the first to do so being Mr. W.F. Thompson, "Assistant Attorney" at Washington; while Mr. James H. Webb, of Mobile district attorney for the Holc, Mr. Beebe, county attorney - for Baldwin County, and Mr. J. Chandler Burton, assistant attorney for Alabama for the HOLC, all hold that there is room for an interpretation of the law as it exists, which would cover such leases.

You express your desire to "do anything which can be done" which we assure you is greatly appreciated and ask "what do you or your attorney suggest?" to which we reply, an endeavor to get the HOLC act amended.

Mr. James H. Webb, who has been our attorney during the existence of our Colony here and is district attorney of the HOLC suggests an amendment to the act "to the effect that leases for a term of fifty years or more, under which the tenant has erected buildings and other valuable improvements on the premises, with the right to remove the same on termination of the Lease, shall be eligible."

My idea is that the act be amended by simply striking out the word "renewable" which would leave it as follows:

"A leasehold under a lease for not less than 99 years" etc.

But I raise the question, why demand a lease for 99 years or more, to secure a loan, which is to be repaid within 15 years; the basis for bonds which are to be paid in 17 years, all by and thro an organization which is concededly an emergency proposition?

It was interesting to note that Mr. Hutchison, who wrote you, and having our form of lease before him, made no reference to any of the unusable condition



March 17th, 1934

Hon. Hugo Black,  
United States Senate,  
Washington, D. C.

My dear Senator Black:--

-Fairhope and Home Owners' Loan Corporation-

Briefly stated, Fairhope is deprived of the benefits of loans from the Home Owners' Loan Corporation, due to the clause in the law covering "renewable leases" as the colony leases are for ninety nine years and our state laws prohibit a lease beyond ninety nine years.

The Legal Department at Birmingham believes the corporation can accept a colony lease but the Legal Department at Washington refuses. If Fairhope is to get any benefit from the Home Owners' Loan Corporation, then Washington must change their opinion, or an amendment passed to cure the situation.

You are familiar with Fairhope and know it is made up of homes built under conditions more favorable than could be found anywhere else. We realize that you are very busy, but thought you might pass this letter on, or make some suggestion that would assist in clarifying the issue. We are today writing to the Hon. Lister Hill, sending him a copy of this letter, and also sending the same to the Hon. George Huddleston.

The writer's interview with the Legal Department at Birmingham yesterday was very satisfactory, but they were helpless in view of the attitude of the Legal Department at Washington.

With kind regards, we remain,

Yours very truly,

fec/h

I called at H. O. L. Corporation Friday PM. and talked with Mr. W. G. Stone atty for the Corp. He had spent a great deal of time and work on the Fairhope case trying to persuade Washington to change. Both he and Mr. Burton believe the colony lease should be accepted and you can count on their co-operation.

March 31/17



Fairhope, Alabama, March 19, 1934.

Executive Council,  
Fairhope Single Tax Corporation,  
Fairhope, Ala.

Gentlemen:

My father was one of those organizing the Fairhope Single Tax Corporation. I have been a member of it for practically all my adult life and during considerably more than half my total span of years and, aside from my own home and family, the corporation has been the predominant interest of my life. I feel, therefore, that I am not only justified but that it is my duty to ask from your body a definite statement of policy.

Under date of January 18, 1933, the secretary sent out notice of the annual meeting asking members to meet to "counsel together regarding the situation now confronting our corporation." Attendance on the meeting developed neither a statement of what situation confronted our corporation nor counsel as to methods of meeting it.

Certainly none of you will question that the intent of the Georgist movement is to substitute for all taxes on personal and real property the taking of the economic rent of land exclusive of the improvements thereon. November 21, 1932, the Executive Council rescinded its order of 1908 providing for the full repayment to our lessees of municipal taxes, although this provision was evidently in line with the intent of our constitution which provides that all taxes levied by the state, county or township shall be paid out of the general fund of the corporation. (Moneys and credits excepted.) This provision showed the intention of the founders to pay strictly local taxation. That this was the intention is also proved by the declaration of the charter, "Holding all land in the name of the corporation and paying all taxes on the same and improvements and personal property of lessees thereon."

In accordance with the principles set forth in the constitution our members have joined themselves together and, in accordance with the principles set forth in the charter, the State of Alabama has empowered us to do business. Now an effort to emasculate these provisions further is being contemplated. Is it the purpose of this council to push this movement and to take from our constitution the principle which has governed it? Shall we break faith with our members and lessees and repudiate our policy as pledged to the State of Alabama? I feel that I am peculiarly fitted to uphold this principle as I do not benefit financially by its retention as my rents are far in excess of my taxes.

If we do this thing we fail utterly to illustrate Georgist principles. More than that, we are a detriment, rather than a help, to the cause as illustrated by the fact that our president told me that when a gentleman cited the colony policies to him his response was to consider the single tax principle and not the conduct of the colony.

This emasculation of principle is represented as necessary, it being contended that we simply cannot finance the repayment of taxes. If such is the case either our contention that the economic rent is sufficient to finance public needs is false or we have become financially involved through some other route. As a matter of fact, the entire tax refund for 1930, which includes municipal as well as state and county taxes, was \$2,141.30. In contrast to this, in the same year, there was of that year's rent alone, \$15,130.37 uncollected. Our lease (Clause 4) agrees that, speaking of rents, "All shall be administered as a trust fund for the equal benefit of those



leasing its lands." In private life a trust officer who failed, as the corporation has done, to collect and conserve a trust fund would be subject to prosecution. Our moral obligation to collect and properly use this rent fund is no less.

As things stand the lessee who pays all his rent is not getting all the corporation has agreed to give him in the way of benefits but is simply furnishing a fund which pays salaries and enables the corporation to exist while subsidizing, indirectly, those who do not pay. In other words a premium is being placed on negligence and refusal to live up to contractual obligations with all the disadvantages accruing to the prompt, conscientious lessee.

The corporation recently made a settlement with the Bank of Fairhope by which, according to estimated figures given me by the secretary, the corporation lost about \$1,700.00 and in one case at least the lessee is absolved from her previous indebtedness to the corporation and left in possession of much of the land upon which she will become delinquent and will probably repeat the process. This amount was pledged for the equal benefit of all our lessees.

In connection with this question of fair treatment of lessees it might be pertinent to observe that the kindly policy of the corporation in renting houses owned by the corporation to the indigent for less than the ground rent can but react unfavorably on those lessees who make their living, in whole or in part, by renting houses and apartments. Also this kindness to persons who have no claim on us has been questioned as long as we feel unable to remunerate the librarian and her assistant by credits on rents for their work for us, though the constitution declares that libraries shall be established and maintained at the expense of the corporation.

I should like to point out that the passage of this amendment will not void our leases now outstanding and we will still be obliged to issue rent certificates to those who are entitled to them under such leases, so that we will profit but little from a financial point of view.

That we have drifted into a distressing situation is apparent, as evidenced by the fact that some time ago our president asked me for my reaction to the proposition of refusing to pay the corporation land taxes, and our vice president asked for my impressions of the same course of action with the explanation that it would at least prevent anyone from profiting by the dissolution of the corporation. Personally, should our officers feel that it is impossible to continue our work as laid down in the constitution, it would seem better to me to deed those lots which have real improvements on them to the lessees who have helped to build up our town, leaving the liquidation of unleased land to the corporation, rather than throw it open to tax sale and thus subject it to speculation by those who have ready money, which would result in financial embarrassment of those who have their property thereon.

I realize that it is a condition and not a theory which confronts us and I am unable to suggest a suitable solution now that the damage is done but I call your attention to the fact that for some years previous to the election of the present board of trustees each succeeding board did call attention to these financial difficulties and I do say that we cannot well continue to penalize our financially and conscientiously responsible lessees for the purpose of paying salaries, which have suffered no reduction, and for the indirect subsidizing of the activities of the delinquent. I should appreciate a statement of policy by the council as to how this situation is to be met.



I also wish to call your attention to a growing disregard for the provisions of our constitution which guarantees the membership a chance for referendum on all actions of the council. The grant for a ball park was made at a special meeting and the work was under way before the minutes were published. The council, after declaring against the policy of deeding the golf links and in favor of a leasing policy, did, by special meeting and by the signatures of the officers of the corporation, give a deed to the same which was recorded before the minutes of the meeting were published.

The constitution requires an annual appraisal of the lands of the corporation and yet a ten year lease was given Mrs. Christopher at a fixed rental for the term.

The constitution requires the trustees to "Annually, and at other times in their discretion, submit reports advising the members of the condition and needs of the corporation business in all departments." No such report has been made since 1930.

In reference to the trustees the constitution also requires that "they shall act as a committee to audit all accounts." I have been informed that they failed to do that in the case of the treasurer's books for 1933.

It has been said that necessity knows no law and throughout this land today there are many making the plea of necessity to tear down our liberties but I hold to the idea that those who have joined an organization on the strength of the principle enunciated in its constitution have a right to expect that it will be conducted in accordance therewith, and I feel as my father did when, in 1906 he wrote to Mr. Fels, "I cannot enjoy association with those who are willing to endure the suspicion of wishing to betray our solemn declaration of Principles."

May we expect a closer adherence to the constitution in the future?

Sincerely,

Anne B. Call.



Congress of the United States  
House of Representatives  
Washington, D. C.

March 21, 1934.

Mr. E. B. Gaston,  
Fairhope, Ala.

My dear Mr. Gaston:

I am just in receipt of your letter of the 17th with reference to the matter of loans from the Home Owners Loan Corporation in Fairhope. On Monday I had quite a conference about this matter with Mr. Russell, the Chief Attorney for the Home Owners Loan Corporation. I am taking up the contents of your letter with him and calling his particular attention to your suggestions in the matter which certainly appeal to me. Just as soon as I have some further information I will let you hear further from me.

Let me once more assure you of my very great desire to do everything I possibly can in the matter.

Please write me anytime.

With kindest personal regards, I am,

Very sincerely,

Letter file



Fairhope, Alabama, April 16, 1934.

Fellow Members of the Fairhope Single Tax Corporation,

I am addressing you in opposition to the proposed constitutional amendment limiting the payment of taxes on improvements and personal property of our lessees to a sum no larger than the rent charged on each individual lease, and in reply to the circular recently sent you by a number of the members, including the present officers.

My husband and I have been members of the corporation for over thirty-four years. He has served as treasurer, secretary and four terms as president and I held the office of trustee for sixteen consecutive years. My father, James Bellangee, was one of the colony's founders, having been on the committee of location and having given the first check for membership paid into its treasury. We have, therefore, been vitally interested in, and very familiar with, the entire life of the corporation.

The enclosed letter was written to the executive council and has had no reply. It would not be sent to outside members, who have no power to remedy conditions, were it not for its bearing on the proposed amendment. Probably the circular explains the position of the council as all its members signed it. In passing, the fact mentioned in the letter, that the treasurer's books had not been examined, doubtless led to the correction of that condition as they have now been audited.

All figures herein mentioned were given me by the treasurer or taken from the minutes and are doubtless correct to this date. In my opinion our trouble lies not in attempting too much, for to attempt less would strip our efforts of all value as a demonstration, but in not doing what we did attempt.

We have made of a cow pasture the largest and best town in Baldwin county under our constitution as it now stands but we have never been businesslike in the conduct of our affairs. From the early days we have been slack in the collection of rents. A search through the minutes for information on other matters incidentally revealed action by the council in regard to rents in 1913, 1915, 1917, 1925, 1926 and 1929, all years before the great depression. None of these actions seem to have been effective.

In 1930 the secretary pocket-vetced a number of advertisements of sale of improvements for delinquent rents which the treasurer had sent him in his capacity of printer, the excuse being that he just could not bear to do it. The constitution does not give the secretary any executive powers. One of the advertisements was for the sale of a business house. The owner has shown his appreciation of the fact that the secretary overstepped his authority in his behalf by continuing to be delinquent, his account on rent due for that leasehold now being \$548.67, the fourth year after the foregoing incident.

Again referring to the circular, "While unofficial, every present officer of the corporation is among the signers." This is to be expected. Of the eleven officers of the corporation four have their rents paid to the end of 1933, two have no land leased and five owe a sum which, at the close of 1933 totaled \$1,410.59 and which is still unpaid. To this sum should be added the rent of one officer for 1933 which has not even been computed but whose present indebtedness, exclusive of that year, is \$562.35.

The total refund in 1930 to persons whose taxes exceeded their rents was \$2,141.30. Of this amount \$1,100.00 was eliminated by action of the council in reference to the municipal taxes, leaving about \$1,000.00 which



"Incessantly threatens the financial safety of the colony." Perhaps it does while we have officers who will sign such a plea as this while themselves owing a great deal more than the amount at present involved. In the case of one officer, his unpaid balance at the end of 1933 was \$141.30 and is still unpaid, while the corporation paid to him during that year, \$1,199.48.

Of the \$2,141.30 refunded in 1930 only \$500.00 can, by any stretch of the imagination, be considered as going to people described in the circular as having "discovered" Fairhope and who have moved here with means and have lived here without conducting a business. This sum was paid to twenty-seven people and ranges from twenty-two cents to an hundred-and-odd dollars and I think there are few who would say that the presence of these twenty-seven households and the improvements built by them, and the money spent by them in the community, was not worth \$500.00 a year to it.

As Mr. E. B. Gaston has repeatedly brought out, the laws protect the landlord and the corporation is the landlord in this case. No law limits the advance of our rental charges and our lease provides for the sale of improvements for unpaid rents. Take my own case: In 1924 my rents amounted to \$182.00. In 1933 they were \$363.82; only 18¢ less than double the charge for 1924 and during this time the tax rate has not increased. During those years we gave away our wharf, warehouse and bath houses, our golf links and parks, and curtailed our expenditures for highways from \$518.54 to \$182.39. In 1924 we paid out for miscellaneous benefits thousands of dollars; in 1933 a few hundreds. We advanced the support of the library from \$600.00 to \$900.00 per annum and then reduced it to \$300.00.

Increased revenues should naturally lead to increased benefits. It is true that from 1923 to 1929 we enjoyed a net profit from the wharf of about \$5,000.00 per annum. This, however, is only one-third of the sum uncollected on 1930 rent and it is equally true that we prospered and took care of our obligations in the years from 1913 to 1923, during which time the whole income from the wharf was devoted to the Peoples Railroad, an organization which was unable to make the financial grade even with this subsidy.

This year (1934) as a result either of the force of public opinion, as I suspect, or the "cataclysmic industrial and financial situation" the rents have been reduced four percent. This is the net relief offered to the conscientious lessee who honors his signature while officers, who should hold the welfare of the corporation paramount, may continue for years to ignore their obligations and hold the legal power to increase rents to cover this deficit.

Economic rent will always cover the cost of publicly financed betterments because people will pay to live in a place what the advantages of life there are worth, which also includes the worth of privately financed advantages such as private schools, churches, theatres, doctors, dentists, etc., but they can not be expected to pay for benefits they do not receive. Aside from taxes and street assessments the amount paid out by the corporation in 1933 for the benefit of its lessees was \$564.73, of which \$300.00 was for the library.

Let us not delude ourselves. We are amply able to pay the refund if the rents are collected. The trouble of noncollection of rents in almost as aggravated a form existed before the "cataclysmic industrial and financial situation" eventuated and then, as now, could be blamed to many, not all, of the officers who, naturally, are not able to enforce agreements which they themselves do not respect.

Voting on this amendment in the affirmative will not change the conduct of those who are not willing to sacrifice something for the corporation and



it will only give them one less excuse to advance for the financial condition of the colony. To change the constitution as proposed will, as Mr. E. H. Gaston has repeatedly said, "Cut the very heart out of the colony". To say that we may at any time resume the full payment of taxes is to beg the question. No backward step taken by the colony, and they have been many, has ever been regained. It has, through deed of gift and otherwise, disposed of its newspaper, town hall, waterworks, telephone system, packing shed, wharf and warehouse, bath houses, golf links and some sixty acres of parks and has seriously considered the disposal of its library, although it is pledged by its constitution to establish and maintain such advantages.

The danger of palaces, and our ruination thereby, has been a favorite topic of our opponents during the whole thirty-five years we have lived here but we have never seen them; nor will we. Palaces are not usually built in towns "far to one side" and without "modern hard-surfaced thorough highways". Like bogies like and palaces attract palaces and, as every real Georgist knows, the economic rent is greatly increased thereby. We should welcome them; our chamber of commerce, with which our secretary and his paper are affiliated, would be delighted to have them and thus boost land values, but their hope is futile.

Individual land rents always tend to overtake individual taxes and ~~aggregate~~<sup>rents</sup> are always higher than aggregate taxes. Those improvements which in our early days were so fine that their owners boasted of a refund and laughed at our foolishness in paying them to live here, are now mediocre and their ground rents are far more than their taxes. History repeats itself. Why set up bogies with which to frighten ourselves? Our officers have the jitters and the goblins will get 'em if they don't watch out!

Let us be consistent in our claims to be Georgists and not retreat from the principles we have always advocated, or let us frankly admit what has repeatedly been said of us by our critics, that we are doomed to fail and do not know what we have been talking about all these years.

Sincerely,

Anne Bellanger Call.

Would work my fingers to the bone to carry on a genuine demonstration but this amendment will wreck it as a demonstration. I am sixty years old, my husband is an invalid and cannot work, I paid last year within 18% of twice the rent I paid in 1924 for only two feet more land, with no increase in tax rate and my business is not more than one third what it was in 1924. Is it just under these conditions to keep our rents up in order to subsidize others who will not pay, many of them young and strong?