

1936-1940

C. A. Gaston
FSTC: ~~Correspondence~~ ; Fairhope Letters of Inquiry

Fairhope

10517-6

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May 1, 1936

THE ANTI-SINGLE TAX CONTRAL BUREAU
Fried H. Johnson, Secretary
724 South Spring Street
Los Angeles, Calif.

Dear Sir:

In reply to your letter of April 14th, the town of Fairhope is a municipal corporation holding the same type of charter as other municipalities in the state of Alabama and levying taxes on the same basis as provided by state law. There is probably one exception to the general rule in that the town of Fairhope does not require the payment of any license tax for conducting a business within the town limits. Taxes levied by the town consist of a regular tax of five mills for general purposes and a special tax of five mills, voted by the citizens for street lighting, fire fighting equipment and the maintenance of public property as parks, bathing beaches, municipal buildings etc. The tax levy is on land, improvements and personal property and is on the assessment copied from the books of the county assessor.

Operating within the town is the Fairhope Single Tax Corporation, whose members were responsible for the founding of the town. This corporation owns about one third of the land within the corporate limits which they lease to any one desiring land for use, on a 99 year lease contract. The plan appears to be attractive to citizens of Fairhope as is shown by the following figures: In 1935 the total assessed valuation (60%) of land improvements and personal property in the town of Fairhope was \$942,542.00. The land of the Single Tax Corporation was assessed at \$141,340.00, personal property of the corporation \$6,055.00, improvements and personal property of the corporation lessees and their tenants was \$521,869.00, thus the corporation, its lessees and their tenants accounted for \$669,246.00 of the total assessed valuation in the town of Fairhope.

From the point of view of the town of Fairhope the Single Tax plan as applied by this corporation is a considerable asset.

As you will see quite a percentage of our revenue comes from a single source and the pay is good. While the tax on ~~members~~ and personal property of lessees is levied against them as individuals they have an incentive to pay their taxes as they can apply the tax receipts on the payment of the land rent to the corporation. Briefly, the operation of the Fairhope Single Tax Corporation in the town of Fairhope produces three main things.

improvements

1st. The availability of land without purchase price attracts population.

2nd. Having to pay the rental value of the land stimulates its maximum use.

3rd. These two result in a greater production of wealth and a higher assessed valuation.

We are inclosing some literature secured from the secretary of the Fairhope Single Tax Corp., who we are sure will be glad to furnish any further information you may desire from him and we assure you of a like willingness on our part.

Very truly yours,

May 1, 1936

THE ANTI-SINGLE TAX CENTRAL BUREAU
Fred H. Johnson, Secretary
7 24 South Spring Street
Los Angeles, Calif.

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THE ANTI-SINGLE TAX CENTRAL BUREAU

OF CALIFORNIA

724 SOUTH SPRING STREET

LOS ANGELES, CALIFORNIA

TRINITY 2383

IVAN A. THORSON
CHAIRMAN EDUCATIONAL AND
PUBLICITY COMMITTEE

WM. M. GARLAND
CHAIRMAN ADVISORY BOARD

P. D. MASON
TREASURER

FRED H. JOHNSON
SECRETARY EDUCATIONAL AND
PUBLICITY COMMITTEE

April 14, 1936

City Treasurer
Fairhope, Alabama

Dear Sir:

We are informed that Fairhope has some form of
Single Tax, that is a tax on land exempting im-
provements and personal property.

We are interested in knowing the success or
failure of such a tax system, and wish that you
would inform us on the matter.

Very truly yours,

ANTI-SINGLE TAX CENTRAL BUREAU OF CALIFORNIA



FHJ/BB

FRED H. JOHNSON
Secretary Educational and Publicity Committee

ALDERMEN:

M. O. Berglin
C. A. Gaston
W. O. Keeble
T. J. Klumpp
J. O. Stimpson

TOWN OF FAIRHOPE

PHONE 51-J

Fairhope, Alabama

May 1, 1936

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Fred H. Johnson, Secretary
724 South Spring Street
Los Angeles, Calif.

Dear Sir:

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ALDERMEN:

M. O. Berglin
C. A. Gaston
W. O. Keeble
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J. O. Stimpson

TOWN OF FAIRHOPE

PHONE 51-J

Fairhope, Alabama

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Very truly yours,

Cornny Gaston
Treas of S. Tax Corporation

Irvington, Alabama
Mar. 17, 1936

Dr. C. A. Gaston,
Fairhope, Ala.

Dear Sir:

I spent last Sunday in Fairhope. The morning I left I inquired as to whom I could write to obtain information regarding Fairhope and was told that you could doubtless tell me what I wished to know.

I was quite well impressed with the general appearance of the town and thought that I should like to know more of its history and the general plan in accordance with which its municipal affairs are managed. If you have for distribution any literature of this sort, I should be very glad to see it.

For the past 5 years we have been on our farm near Irvington. We bought here 25 years ago, while I was connected with the public schools of Chicago, with a view to developing a pecan and orange farm- which we have done with varying success. I have long understood that Fairhope was a single tax colony. It impressed me as a quiet, residence town, comparatively free from the smoke and noise of the ordinary manufacturing town.

Assuring you that I shall appreciate any information which you may be able to give me, I am

Yours truly,

W. L. Ashley

March 19, 1936

Mr. M. L. Ashley
Irvington, Ala.

Dear Sir:-

I am pleased to respond to your letter of March 7th, and under separate cover am enclosing literature and forms which should give you a fair understanding of the history of Fairhope and the general plan under which the Fairhope Single Tax Corporation handles its lands. Fairhope's municipal government is the same as that of other municipalities in the state.

The Single Tax Corporation owns a considerable amount of the land which is improved within the town limits and also several thousand acres of land in the country surrounding. The application blank and copy of lease contract I am sending you will explain the terms on which land may be acquired and occupied. I shall be glad to furnish any further information desired and will make my services available at any time you can arrange for a personal visit.

Very truly yours,

Secretary

March 31, 1944

Mr. V. M. Avendano L.
Consul of Venezuela
Los Angeles, Calif.

Dear Mr. Avendano:

Permit me first to apologize for my inordinate delay in writing to you and expressing to you our appreciation of your courtesy in calling on us. We sincerely hope opportunity will afford another chance for you ^{to} visit Fairhope.

Let me assure you that we do not claim Fairhope is a fair example of what could be achieved by a full application of Henry George's proposal to raise all public revenue through a single tax on land values. The complexity of the revenue programs of our nation and the various political subdivisions is such that it did not appear practical to attempt to make individual compensations to the lessees from land rentals.

Ad valorem taxes are direct levies on the improvements and personal property of lessees, levied in their names. It is therefore practical to pay such taxes from the rent received from each lessee and this is the practice followed at Fairhope. Our lessees therefore are relieved from the tax on that portion of their wealth production which is represented by the improvements and personal property accumulated on their leaseholds. That advantage is considerable in some cases but I consider it to be minor to that of having land available for use without the payment of any purchase price to secure possession.

Since the lessee holding an unimproved or a poorly improved lot is at a disadvantage with the person who improves his lot unimproved lots are only taken by those ready to use them. Unbedeviled by private landlordism and speculation in the unimproved value of land those coming to Fairhope can freely choose the most favorable unused site. This tends to the development of a compact community with a corresponding economy in the supply of public services.

Our Fairhope plan is in direct competition with the private ownership of land plan commonly in force all over the world. The Fairhope Colony does not own a solid block of land. Not only is the colony's total land holding within the Municipal limits only one-fifth of all land available for private use but there are several considerable blocks of privately owned

land surrounded by colony holdings. This condition makes the demonstration at Fairhope particularly effective.

The results of the demonstration can be found in the property assessment roll of the municipal government. The last assessment, that of 1943 shows the assessed value of the colony land to be forty-three and sixty-four hundredths per cent, almost one half of the total value, though only one-fifth the area. It also showed that the value of improvements and personal property held on the colony's one-fifth of the land was eighty and fifteen hundredths of the total. Further evidence of the effectiveness of the demonstration is that though Fairhope does not have the most favorable location in this section it is much the largest town along the bay shore as well as being the largest town in the county, though one of the youngest.

When Fairhope was founded in 1895 the land here had practically no value. The colony paid \$1.25 to \$6.00 an acre for the land they purchased. This year of 1944 the rent due the colony on a little less than 300 acres of this land is \$30,763.64. That fund is adequate to pay the ad valorem taxes on the corporation's land, its income and corporation taxes, other corporation expenses and the ad valorem taxes of lessees on their improvements and personal property to the extent of the corporations liability, and to leave a fund to maintain a public library, pave streets and sidewalks and other civic betterments.

I am enclosing copies of our application for land and lease contract. In these you will note that we have not depended altogether on the rent to prevent speculation. It is probable that we are not collecting the full rent. Unless we could find some way to relieve our lessees of the complex indirect and other taxes that must be paid the additional payment of full rent for the land ~~will~~^{would} be very burdensome. While they would of course have that much larger a fund for public improvements, such might be in excess of what they could afford, thereby constituting extravagant luxuries.

In our constitution Article IX providing for a medium of exchange is not in use; Article X providing for colony ownership of utilities is not in use, the municipal government being deemed a more satisfactory agent to handle these; Article XI--Insurance is not in use; Article XII--Parks, Libraries, Etc., except for the library and cemetery, ownership and authority has been delegated to the municipality.

It is probable that you will have some questions after studying the material I am sending you and I wish you to feel at liberty to write me for such additional information as you may desire.

Sincerely yours,

Secretary.

March 8, 1940.

Mrs. F. S. Barkalow, Jr.,
Box 469, Auburn, Ala.,

Dear Joan:

It is encouraging to learn that you and the professor consider the report on Fairhope to be of sufficient consequence to extend the time so the report may be as complete as possible.

I need not assure you that we shall be happy to make all the material we have available to you and to lend our personal aid in properly interpreting it.

There is a very real threat, in present trends, to American Individualism and, most unfortunately, I believe, this threat is spreading in the student bodies and the professorships of our schools and universities.

I believe that this is due to a general failure in detecting that there are two very different brands of American Individualism. The true American Individualism, the one that is worth every cost necessary to preserve it, was developed by the original pioneers. They applied their labor and knowledge to the land that nature had held in store for them throughout the ages.

Then came into existence here the other brand of Individualism, not of the new but of the old world, a destroyer of American Individualism. Free opportunity the foundation on which American Individualism had been built passed when title to the lands of the new world came to be vested in the favorites of European rulers and those who would preserve American Individualism had to carry it on across the breadth of the continent where a natural barrier, the Pacific Ocean, halted it and the false Individualism caught and destroyed it.

Due to the understanding of Fairhope's founders and to their foresight there probably exists in Fairhope today more true American Individualism than in any other section of this country and I feel sure you will find well worth while the time you spend in studying it.

Sincerely yours,



Auburn

March 4, '40

Mr. C. A. Gaston
Fairhope, Alabama.

Dear Mr. Gaston;

Thank you very much for the information you were kind enough to send by special delivery. I found it very interesting and helpful.

However, this paper is to be considerably more than a historical dissertation so I plan to be in Fairhope around March 22 - 25 to paw through old Courier files and any other possible source of information.

Dr. Irvine, under whom I am doing this work thinks it is sufficiently important



to extend the time limit until April. As I hope to impose upon you for further information while I'm in F. hope perhaps you'd be interested in a brief summary of my outline? It may show you ^{the} ~~that~~ trend of my thought - also as I'm majoring in social studies and hope to do graduate work in the same it is more than of passing concern to me that I locate as much material as possible.

I. Pioneer Period —

- A. Shows of Fingertoy
- B. Early history of F. hope ^{etc}

II. Period of Expansion — The 1920s

- A. basic attractions for a cosmopolitan population
- B. Other colonies (foreign) in Southern Baldwin give none of the "traditional Southern town" neighbors

3

C. Growth & development of business
D. "cultural activities" Social & religious etc

E. Local government - & utilities
F. Outstanding people attracted
To I hope

III I hope today after the depression
and general social change

- A. Business trends & opportunities
- B. Passing of former leaders
- C. Trend of political thought
- D. The "younger generation"

This is merely a brief sketch and
I plan to use maps, photographs
a copy of the I hope song and
anything else to strengthen the
sociological value.

It is lots of fun to work on
and everyone connected here is
very much interested to see the
result. (so am I!)

Thank you again for your
cooperation and I hope to gain
further information from you very
soon.

Sincerely yours

Jean Metzger Barkslow
(Mrs. Frederick S. Jr.)

P.O. Box 469
Auburn, Ala

March 2, 1940.

Mrs. F. S. Barkalow, Jr.,
Box 469, Auburn, Ala.,

Dear Joan:

I regret that your letter of Feb. 27 only reached me today and I am afraid there is not time for such information and material as I can give you to be of much service at this time but you will have it for future reference and we will be glad to have it in the files there and I want to assure you that this Corporation will be glad to furnish material for the library or such other agency of the school as may desire it.

While I am sending you herewith literature and forms that tell the story rather completely, realizing that you will have short time to dig through these I will give you the story briefly:

A small group of enthusiasts for the economic policies of Henry George determined to make a practical demonstration of their feasibility. This decision was reached in the office of my father E. B. Gaston, in Des Moines, Iowa, in 1894. A committee on location was selected and sites were inspected in western Tennessee, Mississippi, Louisiana and last on the Eastern Shore of Mobile Bay. The committee returned, making report on all the sites considered, but favoring most the latter. In their report they stated: "We do not know that a living can be as easily made there as at some of the other sites but we believe it will be more worth the making." Two ballots were taken and Mobile Bay won over its competitor Western Tennessee.

Early in November, 1894 the small band of Colonists arrived at Battles, 2½ miles south of the present site of Fairhope, negotiations were started immediately to secure title to some land and by the first of 1895 they were at work building a community. Real hardships had to be endured and most of the original comers as did many later ones, proved stronger of spirit than of flesh and moved on. There were a few, however, who were so impressed with the necessity of establishing a practical basis for social organization that they held on. These were of analytical minds, determining that the troubles that continually beset them were inherent in human nature and not in the plan so they held on.

Always more came than went away and it soon became evident that the plan had merit for while only a small portion of the land here was under the ownership and control of the Colonists their lands were being most rapidly developed and within a comparatively short period of years a town was built which surpassed all the older towns in this section. It was apparent that this did not result from any industrial advantages or natural advantages such as superior soil fertility or strategic transportation advantages since these were in fact inferior to those surrounding.

At the last census Fairhope was shown to be the largest town in Baldwin County and I have no fear that we have held that place in the ensuing ten years. We have the best stores of any town in the county, the best bank, the best library, the greatest acreage of public lands and possess many other superior advantages, while at the same time it is my opinion that we have far fewer paupers and fewer rich. That these have resulted from the fundamental economic policy for which Fairhope is indebted to its founders I believe there can be no question. The granting of special privilege to none and the assurance of equal opportunity to all we believe to be the only democratic way to "share the wealth" and we feel sure that a general application of the economic principles established here will produce the same generally desirable results.

Again expressing my regret that I have not had time to get this up for you earlier and hoping that it will reach in time to be of some value I am,

Sincerely yours,

Secretary

Box 469
Auburn, Alabama
February 27, 1940

Chamber of Commerce
Fairhope, Alabama

Gentlemen:

It has become my immediate concern to obtain as much information as I can on Fairhope, to be used in a sociological report in connection with my college work. Upon its completion, this report is to be placed on file in the Education Library at A. P. I. for the benefit of anyone interested in Fairhope.

Although I was reared in Fairhope, I do not feel sufficiently familiar with its general organization, civic problems, and growth to do it justice without additional material. I shall appreciate very much any material you may care to send me, and all suggestions as to possible sources of information will be most welcome.

I am also writing to the Courier.

This report must be in by March 4, and any information you can give me before that date will be appreciated.

Sincerely yours,

Joan Metzger Barkalow

Joan Metzger Barkalow
(Mrs. F. S. Barkalow, Jr.)

*Take to Dr
Baker*

May 17, 1938

Hon. Hugo L. Black,
Associate Justice,
Supreme Court, U. S. A.
Washington, D. C.

Dear Justice Black:

Criticism of you in a recently published article in Liberty, I believe written by some London correspondent, only makes us believe more thoroughly in your fitness for the position you now hold. I was happy to see that your fellow Justices had recently sustained one of your criticized dissenting opinions.

So many of our liberals have changed after becoming associated with conservative thinkers that it is particularly gratifying to find confidence in you justified. I miss having you in the Senate where I felt so free to write you on any matter that I considered important.

I do not know if it is proper for an ordinary citizen to write to a Supreme Court Justice but I have decided to find out. I want to tell you of a letter I recently addressed to President Roosevelt in regard to his address to congress on the matter of monopolies.

I told him that if his suggested study into the "effects of tax, patent and other governmental policies," was made in the spirit of that greatest of liberal American economists, Henry George, "to beg no question, shrink from no conclusion, but follow truth wherever it might lead," I felt sure that the enquire into the effect of taxes would reveal to them the proper and effective method for government to attack the evils of monopoly.

I stated that it was not the bonafide use by monopolies of the natural resources to which they held title that constitutes a menace to society but rather their failure to productively use such resources coupled with their destructive use of the power conferred by title deeds, to curb and strangle free competition.

I stated that society is the creator of every value that is held in land and all its related natural opportunities and that if government would secure public revenue through the collection from every individual or corporation, holding title to land whether used or unused, the full value of the socially created assets in such land, monopoly owned and controlled sites and resources would have

2.

to be fully developed to be profitably held.

I called attention to the fact that the public revenue to be derived from this source would be so great that taxes on legitimate industry and enterprise could be abolished or greatly reduced and that prices of all commodities would be correspondingly lowered without in any way endangering legitimate profit.

This I stated would greatly increase the purchasing power of the dollar and the undeveloped resources of our great country would have to be either used by their present owners or made available for use by the great forces of idle capital and men, the relief of which constitutes the major problem of government today, restoring to us our frontier.

If you are not too busy to do so I would like to have your criticism. I feel that our country is caught up in a very grave economic crisis and I want to work as effectively as I can in promoting what I feel sure is a sound solution.

I hope you and Mrs. Blank and family will find time to come down to Point Clear this summer and we shall have the pleasure of seeing you in Fairhope.

With sincere personal regards and high appreciation of your service to our country, I am

Very truly yours,

Secretary

CAG/mg

Supreme Court of the United States
Washington, D.C.

May 20, 1938

Mr. C. A. Gaston,
Fairhope, Alabama

My dear Mr. Gaston:

It was a pleasure to receive your letter of May 17. I have appreciated the friendship of the Gaston family since long before I became a candidate for the Senate, in 1926, and this fact adds to the pleasure I received from your cordial communication.

I read with much interest the views you expressed to the President in your recent communication. I am sure that every thoughtful suggestion relating to public affairs is a contribution to progress, and I am glad to note that you are carrying on the traditional public-spirited service of the Gaston family.

With kind regards, I am

Sincerely your friend,


HUGO L. BLACK

March 24, 1939.

Mr. Robert Blacklock,
793 Lyons Avenue,
Cor. Lincoln Place,
Irvington, N. J.,

Dear Sir:-

I was pleased to receive your letter of the 15th, from my sister, Mrs. Frances G. Crawford, Ed. of the Fair-Courier.

I believe that the school is developing into a powerful influence on the economic thought of the people and should be of great value in the development of sound economic policies. I believe that the success of our demonstration at Fairhope should be of value in the instruction yet you are the first student I have heard from who learned anything of Fairhope through his course of instruction.

Though legal restrictions limit our corporation to a very limited application of the principle with corresponding reduction of benefits to our residents the contrast of Fairhope and the condition and character of its citizens is most apparent when compared to surrounding communities.

Fairhope's location, in several vital respects is inferior to some other locations in this immediate neighborhood, yet Fairhope has grown to be the largest and most progressive town in the county with a quality of citizenship on a distinctly higher general level.

In 1938 taxable property assessed in Fairhope accounted for almost one-thirteenth of the assessment of the entire county, which in the balance of the county included assessments on railroad and utility properties. Fairhope has no railroad and the utilities here, with the exception of the telephone are municipally owned and not assessed for taxation.

Within the Town of Fairhope our corporation owns less than one-fourth of the land but the 1938 assessment roll shows that more than 80% of the total of improvements assessed belonged to our lessees as did more than 66% of the personal property while our less than one-fourth of the land was assessed and 47% of the total. Nor does the corporation hold a monopoly on the desirable land since it owns only 37% of the highly desirable bay front land of this the most valuable a strip along the water with riparian rights was deeded to the Town for public park purposes. Also there is a considerable area within a couple of blocks of the business

center which is privately owned and is either poorly or altogether unimproved, in part because when demand was high a speculative value was asked for possession and at all times because it cannot meet the competition of our lands that can be secured without purchase price.

Single Taxers often wonder why it is that our lands are not all taken and full developed but they do not take into consideration that free land is only one of the requirements of a free people. First, of course the land must be capable of responding to labor with a production reward for which there is an ample demand, a demand that it may not be possible to develop within the narrow confines of a few sections of land. Second, production and exchange cannot bear heavy burdens levied from either within or without and these are factors that it is beyond the control of a local community to control.

It has developed that the most productive use of the urban lands of this community is to develop them largely for resort use of winter sojourners and summer vacationists and as homesites for older people who have retired from active employment. Our country lands are not of the highest productivity but they are supporting a reasonable number of farm families. Not being on any main line of transportation we have had little to offer to industry but we now have good motor roads and within the year a small industry has started. Its product is small articles of wood which may be readily transported by motor truck and its raw materials are of local growth and it may open the way to others of a like nature. I feel sure that this and other industries will find advantages in our superior community that have heretofore not been discovered.

Please express my appreciation to Mr. Rusby for his kind remarks about Fairhope and tell him that I hope to write him within a short time. Should you care for any additional information about Fairhope, (I am sending literature) I shall be glad to furnish it.

Very truly yours,

Secretary.

REAL ESTATE
INSURANCE
MORTGAGE LOANS

ROBERT BLACKLOCK

ESSEX 2-4123
NOTARY PUBLIC OF N. J.

793 LYONS AVENUE
COR. LINCOLN PLACE
IRVINGTON, N. J.

Mar. 15, 1939

Mrs. Francis G. Crawford, Sec.

Fairhope Courier,

Fairhope, Ala.

Dear Mrs. Crawford:

Enclosed please find \$0.10 in stamps for which mail me the Fairhope Courier. I like your paper, because I am a Georgist and do everything to spread the Gospel of Henry George. I graduated from the Newark HGSSS, conducted by Dr. E. E. Bowen, and attended the class last Monday night. George L. Rusby is very enthusiastic about the Fairhope Colony, and tells the classes about it, being most representative of our Georgeist philosophy.

Our Joseph Dan Miller, who Edits Land And Freedom, Mr. Rusby told me Monday that he may not be able to continue the publication as he is very sick. I hope we will still be able to kee it going, because outside of that, we only have our school paper, "The Freeman", that is very good, but L & F. is The Paper.

I hope some day to be able to visit your Colony.

Robt Blacklock

Jan. 28, 1938.

Mr. R. . Brandt,
J. Scott, Worsman & Co.,
3717 Colgate Ave.,
Minneapolis, Minn.,

Dear Sir:-

Your enquiry addressed to the Fairhope Chamber of Commerce was handed to for reply. We appreciate all enquiries about Fairhope and particularly concerning the economic policies on which it was founded and which are still in force on the lands of this corporation.

Enclosed and under separate cover I am sending printed matter which I hope you will find of interest and I assure you of my willingness to be questioned further on any questions that may occur to you.

Our nation and the entire world is in great difficulties at the present time in the attempt to establish a balanced economic policy and we feel sure that our way is the proper way and we feel that we have much proof in the results achieved at Fairhope under the partial application possible under existing law. The benefits of our policy in force here for 45 years are becoming more apparent each year and the community is growing constantly.

If you would like to have more literature for distribution or if you will send us addresses of others who may be interested we will appreciate it.

Very truly yours,

Secretary.

CHICAGO

ATLANTA

NEW YORK

SCOTT, FORESMAN AND COMPANY
EDUCATIONAL PUBLISHERS

R. A. BRANDT
REPRESENTATIVE

3117 COLGATE AVENUE
MINNEAPOLIS, MINN.

December 27, 1938

Chamber of Commerce
Fairhope, Alabama

Gentlemen:

I have heard some meager reports regarding your
community and would like to have further information.
If you have literature descriptive of it with some-
thing on the climate, I will be glad to have you
send me some.

Very truly yours,

R. A. Brandt

Feb. 3, 1940.

Mr. E. C. Christensen,
4051 Paxton Blvd.,
Omaha, Nebraska,

Dear Sir:

I am in receipt of your letter of enquiry of Jan. 29, handed me for reply by our mayor.

I enclose a little folder "The Single Tax Colony at Fairhope, La." in which you will learn that Fairhope is not a Single Tax Municipality though it owes its existence and its relative prosperity to the Single Tax principles established on a portion of its lands.

Under separate cover I am sending printed material including copies of our constitution, applications for land and lease contracts which will be helpful to you in studying our modus operandi and which have proven quite effective. I shall be glad to supply additional material if you can use it and to answer any questions or furnish such additional detailed information as you may desire.

While the enactment of colonization plan has met with disapproval of some single-taxers and did not receive the recommendation of Henry George (Fairhope was founded before his death) there is, locally, ample evidence of the superior social conditions to be achieved from a general application of the economic principles set forth by Henry George. Fairhope, though younger than most of the other communities in Baldwin county and with natural advantages inferior to many of the others, is now the largest and most progressive town in the entire county. A little study of Fairhope's past and interviews with the present citizens will reveal that this growth has not been due to any wholehearted cooperative spirit prevailing in the community but to the individual initiative set free by the guarantee of equal freedom of opportunity.

May it not be that when the teachers and lecturers have found the ear of some influential political leader or office holder the demonstration here at Fairhope may furnish the conviction that will lead to a more general application of the sound economic principles of our philosophy? While the original founders, whose enthusiasm for this new principle would of itself have assured a certain period of life for the experiment, have mostly gone on or have had, due to age, to become less active our colony never appeared to be more secure than it is today in the hands of later comers and the sons and daughters of the founders.

Let me assure you of our sincere and attentive interest in the work you are doing and to offer every cooperation we can in helping you to educate the people and give them the knowledge that alone can set them free.

Sincerely

To the Honorable Mayor,
Fairhope, Alabama.

Your Honor;

I am conducting a class here in Omaha at the present time in "Fundamental Economics and Social Philosophy", using the "Henry George" book "Progress and Poverty", as a text.

I am seeking information as to the practical application of this science, and, as I understand that your beautiful city and country-side are incorporated under the single tax system; I naturally turn to you for whatever available information that you may care to divulge on this subject. I have no specific questions to ask at this time, but trust that I may be permitted to do so from time to time. I have in my possession a pamphlet "FAIRHOPE ON MOBILE BAY", issued by the Fairhope Courier September, 1915; which is indeed, even today, a quarter of a century later very interesting, and inspires in me a deep urge to visit your city.

I presume that you are burdened with many requests such as mine, but I can assure you that whatever information (general or specific) that you may furnish me will be greatly appreciated, and I am sure will assist in solving our present problem.

E.C. Christensen,
Omaha, Nebraska.
4051 Paxton Blvd.

Sincerely,
E.C. Christensen

Omaha Neb'r,
January, 1940.
29

Are Depressions Necessary?

HENRY GEORGE SCHOOL of SOCIAL SCIENCE
Omaha Extension, Henry F. Sarman, Secretary
557 South 26th Street, Omaha, Nebr.

Sec. 562, P. L. & R.

"Whoever, laying aside prejudice and self-interest, will honestly and carefully make up his own mind as to the causes and the cure of the social evils that are so apparent, does, in that, the most important thing in his power toward their removal. . . Social reform is not to be secured by noise and shouting; by complaints and denunciation; by the formation of parties, or the making of revolutions; but by the awakening of thought and the progress of ideas. Until there be correct thought, there cannot be right action: and when there is correct thought, right action will follow."—Henry George

BUSINESS REPLY CARD

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Mr. Henry F. Sarman, Extension Secretary,

Henry George School of Social Science,

557 South 26th Street, Omaha, Nebr.

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- WHY DEPRESSIONS RECUR
- WHY NATIONS GO TO WAR
- WHY LABOR AND CAPITAL FIGHT

and a host of similar questions of vital interest to every thinking person.

Free Tuition

This is your opportunity to learn the basic causes and the solution of the perplexing problems of our times! No written work or examinations. Class discussion method throughout. Practical application of economic principles to current topics. Tell your friends about this course! Textbook: "Progress and Poverty," by Henry George. For your convenience, supplied by the school for one dollar. If you have a copy, bring it with you.

What a Former Student Says:

I began studying economics seriously about eight years ago. I have attended many classes, but in none was economics taught so vitally as in the classes of the Henry George School." —*Will Lissner, Journalist, New York.*

ENROLL TODAY by filling in and submitting the attached card.

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CHARTERED BY THE UNIVERSITY OF THE STATE OF NEW YORK

30 E. 29th STREET, NEW YORK CITY

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HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

MR. E. C. CHRISTENSEN, *Instructor*

I Herby Enroll for your ten weeks course in Fundamental Economics and Social Philosophy, and will be present at class 7:30-9:30 p.m., Friday, January 12, 1940, in the Y.W.C.A., Omaha. I understand that tuition is free and that there is no fee or other charge.

Name _____

Please Print _____

Street and Number _____

Telephone _____

Occupation _____

☐ Check for correspondence course literature, if you cannot attend class

Jan. 27, 1940.

Miss Letha Cooper,
Box 204, Bruce, Wisc.,

Dear Miss Cooper:

Under separate cover I am sending you some literature concerning the Single Tax and particularly concerning our application of the principles at Fairhope.

We are particularly pleased to learn that students are studying this vital problem of taxes because we believe it holds the solution of the economic problem.

The economic problem this country and the world is facing today is more vital than any other problem because upon its successful solution depend practically all our national and international problems and, to a surprising extent our individual personal problems. Great as it is, a careful study of the present activities of Government, ours and the others, and of the great leaders of industry, business and finance, as well as even the leaders in social and educational advancement, will reveal that the greater part, if not all of the actions and proposals are of an alleviative and not a curative nature.

You will find many statements of a recognition of the many little attributable to economic imbalance but few, if any, clear statements of the nature and cause of such imbalance and probably none at all with a simple means of relieving it. We are confident that this can be done most simply and effectively through the adoption by Government of the same method of acquiring public revenue as has been in force on the lands of the Single Tax Corporation at Fairhope for the past forty-five years, and which we believe to be the only just and equitable solution ever to be proposed.

Fairhope's founders contributed in their own member-

ship certificates sufficient money to purchase the land on which the community was founded. They were able to acquire land at a very small price, the highest being \$6.00 per acre, because there was no social institution here to create a demand for the land and it had largely been denuded of its marketable timber. It might therefore be said that the land had no value, the price paid being merely a nominal fee for possession. The land in this section has no great amount of natural fertility as do the lands of the great agricultural states and man must make the land productive not only by his labor but through the expenditure of capital for the purchase of fertilizer and the growing of soil-enriching crops.

These facts are of great importance because they clearly demonstrate that the value that Fairhope lands now have is created by society through its many institutions, political and social. At a time Fairhope was founded there were no social institutions here of either a private or public character, there

was no public expense and there was no land value. The development of a community here created a demand for public property and public services, we had to have a school, roads, a wharf to avail ourselves of water transportation facilities and many other things that a growing community has need for. Many of the needs could, of course, be supplied through private enterprise, such as stores, hotels, medical services, etc., and the apparent demand attracted their fulfillment.

With the appearance of public institutions and the availability of individual services the land came to have value that had not previously existed and would not then have existed had the founders been unambitious. Their collective desires and their efforts, collective and individual, to fulfill them, produced the increase in land values that came into existence and which has been mounting ever higher with the growth of Baltimore and its public and private institutions.

This same thing happens in every community and wherever society in any form extends onto otherwise unused land or reaches a higher rate of development on the land occupied. 1. Ways to meet the public expense entailed by such expansion or higher development, government is obliged to increase the tax rate, broaden the tax base or levy new taxes. Taxes always have a retarding influence on desirable social trends as they hinder, retard, commercial, financial, professional or purely social and of an individual and independent character. This is recognized at the present time as evidenced by the term "incentive taxation", now becoming popular.

Baltimore has "incentive taxation", though it is not taxation at all, but the collection by the community of the ground rent which has been produced by the community. There is no such thing as incentive taxation; taxes must always be burdensome, while the collection of the full economic rent (see Webster's New International Dictionary) encourages the most productive use of every natural resource, resulting in the fullest employment of labor and capital.

In Baltimore title to the land is conveyed by a 99 year lease contract providing for the payment thereof of the full economic rent and the lessee is prevented thereby from profiting from such title except through the use of the land through his individual productive activities. The same condition would exist were the title by deed in fee simple provided the government secured its revenue through the collection of economic rent rather than by taxation.

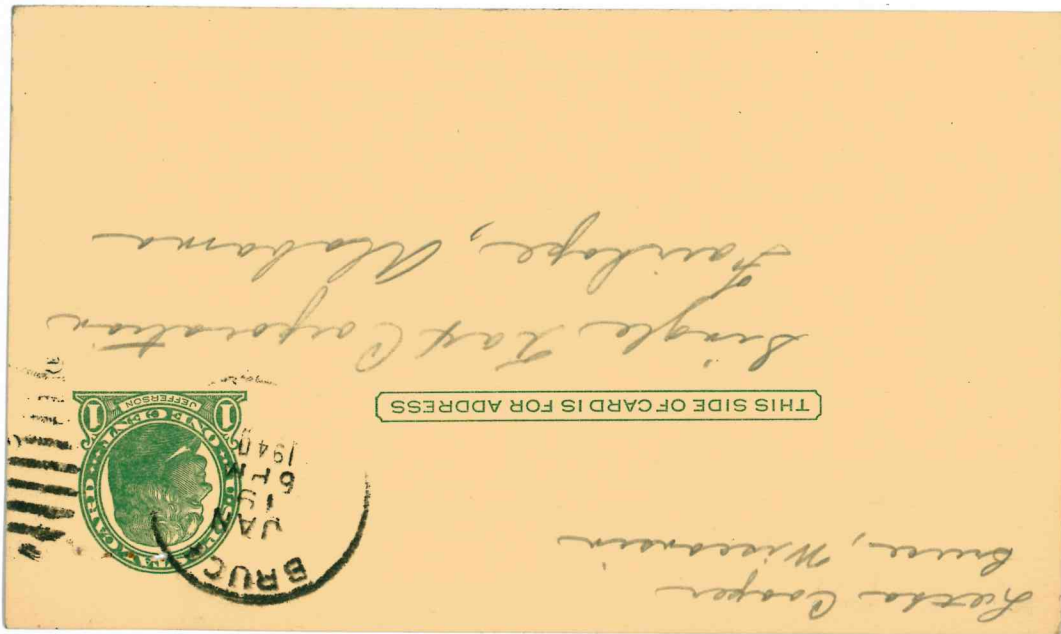
The great economic problem of today is, as you know, not one of production but of distribution. Our present tax system and our treatment of economic rent, permitting its collection by the private owners of land and to force a concentration of ownership of the natural resources (land) and of the products of labor. Man can produce purchasing only through creating wealth by man power whether it be independent or through the use of machinery and capital, and the wealth thus produced can only be socially effective as it is consumed either by the original producer or by another who has acquired it through the exchange of some other labor produced product. This continued and complete consumption insures the employment of labor and the equitable distribution of the wealth produced. There is no interference with the mechanism of exchange and distribution when the wealth thus produced is paid out in rent to the government for it is then expended in the further production of public services.

es which sustain and create rent, but when it is paid to the private owner of land it upsets the balance of exchange. The private owner does not receive rent in exchange for a product of his labor and therefore is not stimulated to any productive activity. Rent is created and maintained by social activities and the expenditure of public funds derived from taxation rather than from rent and the latter tends to accumulate in the hands of the possessors of title to land and it is this that constitutes the greatest factor in the undesirable concentration of wealth.

One of the principle objections raised to the collection by Government of the economic rent is that it would be confiscatory, that it would destroy the selling value of land. It would, no doubt, destroy the incentive to invest in land except for use, but society does not benefit from such investment. Society benefits from the investment in productive activities. If one interprets "confiscation" to mean taking from without giving any fair value in return, I believe this can be disproved. The shifting of the burden of public revenue from labor products to rent would so stimulate the exchange of labor products that a greater new field of income from productive activity would be opened to replace the closed field of private collection of profitably created rent. Presently unused lands that it is more profitable for the owner to hold out of use for the increased value society is sure to give them would return a greater revenue through exploitation by their owners. Again let me assure you of my pleasure at receiving your enquiry and to further assure you that I shall be glad to be of any further service I can.

Very truly yours,

Secretary.



Bruce, Mr.
Dear Sir;
My class in
the Bruce High
School is studying
Tapes, and I
would like all
available infor-
mation on your
single tape system.
Thanking you
for any information
I receive, I am
Sincerely Yours,
Little Rogers
Box 204, Niles,
Ill.

April 15, 1939.

Miss Lucy Ellenberg,
507 East Buffalo St.,
Ithaca, N. Y.,

Dear Miss Ellenberg:-

I am pleased at your continued interest in Fairhope as evidenced by your additional inquiry of April 14th which I have at hand.

Our system is based on the same system of calculating site values, some of which are in use by the principal departments of many of the large cities in the country, New York, Chicago and others. Mr. W. E. Sweeney who developed the system was a former City Engineer of St. Paul, Minn., who moved to New York where he headed the New York Police Department Service. In addition to developing systems of valuation for many cities and counties he personally supervised the present system of rent valuation in use in Fairhope and, I believe, also in use in other cities.

Our lands and all other lands are presumed under the law to be situated at 60% of their full reasonable value and are taxed at the millage rate of the various political subdivisions, state, county, school district and municipality, the unearned increment or rental on lands other than ours is appropriated by the holders of the title and the balance of the public revenue is derived from taxes on improvements and personal property.

It is difficult to determine and to answer positively your question as to whether the full economic rent is being collected. There are several factors to consider: (1) The total collections from the community should be sufficient to pay the reasonable expense of government. (2) The levy should be high enough to make it unprofitable to put the site to any use other than its most productive development. (3) The levy should be low enough so that development will not be forced to first improve less desirable sites. Judging by these rules I should say that we are very nearly collecting the present economic rent. However, I consider that the economic rent on our lands is considerably below what it could be if government generally should remove the unnatural restrictions placed on industry by regulatory and taxation measures. I believe that the beneficial results from an abatement of these would result in such an increase in economic rent that we could enter on a quite extensive program of public improvement on a "pay as you go" basis.

As stated above the present rent level appears to destroy speculative tendencies though additional protection is afforded in paragraph (3) of the Application for Land. I do not

know of any case where the provisions of Article VIII, Sec. 6 were resorted to. There is practically no subleasing of land other than the rental of business and residence properties and since the corporation has had unimproved land open for lease for all purposes there is a competitive restraint on excessive charges. The same applies to your question 5. An informed person will not pay a price out of relation to the actual value of improvements since he can secure a lot from the corporation and build for himself. In paragraph 3 of the application you will find provisions for dealing with such cases.

There is a bonus that is collected by the corporation in cases where there is more than one applicant for the same lot the applicants bid for possession and the one offering the highest bid for possession is awarded the lease. The bonus money is placed in the common treasury as is rent money but the bid does not influence future rents.

I believe that the present unrest throughout the world can be attributed in large part to protection by government of the private collection of rent and the established systems of deriving public revenue through taxation. Certainly in this country taxation is responsible to a considerable extent for the unrest in business, industrial and financial circles. While almost unlimited opportunities for self employment are available in the undeveloped natural resources of every section of the country the owners of such resources hold the price of privilege to use them at such a high level that they cannot be economically developed by labor and capital and the government resorts to all manner of unnatural methods to effect some measure of relief.

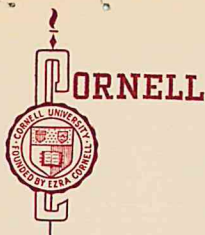
The rent collectors of the world are greatly interested in world commerce, since the purchasing power of any nation is to a large extent reduced by the amount of the private collection of rent and the surplus produce must be sold abroad to secure the highest rent. And now, before the conflict becomes an armed one, it is freely stated that ~~that this present conflict~~ it is for the trade of the world, just as now twenty years after the world war our news commentators who then called it a war to make the world safe for democracy, now call attention to the trade feature of that conflict.

Today our President is calling on the dictator nations to pledge themselves against armed entry of the surrounding borders but so long as these nations and the others permit the private collection of rent their peoples, of necessity must seek advantages over their neighbors in the world trade and sooner or later force will be used to secure this advantage.

Again let me invite you to pay us a visit and to hope that you will be so impressed by your studies of our economic policy that you will become a staunch supporter of it and an active aid in replacing our unjust public revenue systems with this just one which will be such a force in according equal opportunity for all and in destroying the special privilege now enjoyed by a minority.

Very truly yours,

Secretary.



507 East Buffalo Street
Ithaca, New York
April 14, 1939

Mr. A.A. Gaston
Fairhope, Alabama

Dear Mr. Gaston,

I'm so sorry that I was unable to write sooner and thank you for your most kind letter, and for the material you sent me. Instead of visiting Fairhope, as I had wished, I made the trip to Arden, Delaware, which being nearer home, proved to be more convenient for me at the present time. However, I am still looking forward to a visit to your city at some future date, and do appreciate your hospitality and interest.

You were good enough to offer to answer questions for me, if I had any. Many questions have cropped up, and the following are some that I would very much appreciate your answering:

1. What is the technique of assessing rentals values in Fairhope? Has any particular method been devised, and what use is made of land values outside of the enclave?
2. Is the full economic rent being collected at present, in your opinion?
3. To what extent does speculation exist, if at all?
4. Has any use been made of the provisions in Article VIII, Section 6 of your constitution?
5. Has any attempt been made to deal with the problem of bonuses received upon the sale of improved land? For example, if a house worth \$5,000 was sold for \$8,000, would it be assumed that the \$3,000 was a bonus for the land, and if so how would it be treated?

No doubt, Milk River is an interesting community. I have a copy of the article in the Lethbridge Herald you mentioned, and have been corresponding with Mr. Ellert, who lives in Milk River, and who is an ardent Single Taxer.

Thank you again, most kindly, for your generous help.

Yours very truly,

Lucy Ellert

Feb. 7, 1939.

Miss Lucy Ellenberg,
507 East Buffalo St.,
Ithica, N. Y.,

Dear Miss Ellenberg:-

We are very glad to receive your request of recent date for information concerning the application of the Single Tax economic principle at Fairhope. Under separate cover I am sending you such literature as is available concerning Fairhope's demonstration and I do extend to you an invitation to come to Fairhope and make your study of local conditions here. While our records are not complete they do extend back to the founding of the Colony and we have the files of the paper that has been published continuously since the plan was first conceived in Des Moines, Iowa where the first issues were published.

I believe that, at the present time, there is more general appreciation of the advantages secured to residents through the land and revenue policy of our Corporation than there has ever been and the economic efficiency of this policy is yearly becoming more apparent. Fairhope's superior social as well as economic advantages, I believe, can unquestionably be traced to its different land and public revenue policy.

In the back of the "Quarter Centennial History" you will find some records as to rent collections and I may report that collections in the last year have exceeded any in the history of the Corporation, being \$53,231.95, this in spite of the fact that the rates are in the main lower than they were in 1930 when the previous high mark was reached. Another interesting factor that does not appear on the surface is that at the time of the 1930 receipts there was a speculative wave sweeping the country and many lots were taken up in the fear that sites would be exhausted or by those who had the hope they could profit through transfer of their leasehold for a bonus. At the present time practically all rent is derived from bona fide users of the land.

Fairhope's policy of common land ownership is not necessary except in the absence of a political body such as a state, county or municipality clothed with the power to levy only on the unearned increment for revenue. In this state and most if not all of the others political bodies are prohibited to discriminate and must levy equally on all classes of property, land, improvements and personal property. Even if our municipal government could enforce a levy on unearned increment only for its revenue, the redemption

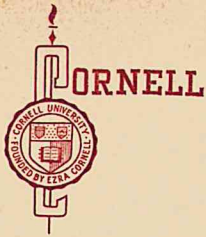
laws in this state are such that it is practically impossible to secure any security of tenure through a tax title and so the Town would be unable to realize on such lands as might be sold to it at tax sales and much of the benefit would be lost through delay in the collection of the revenue to be so derived.

The municipality of Milk River, Alberta, Canada is deriving all its municipal revenue from a single levy on site value. There was an interesting report of the results there in the Lethbridge Herald, Lethbridge, Alberta and I believe you could get more information by addressing the municipal government or Mr. Fred Pease at Milk River.

Permit me again to invite you to come to Fairhope and to offer my services in any way to give you more information. After reading the literature some questions may occur to you and I hope you will feel free to write me further.

Very truly yours,

Secretary.



507 East Buffalo Street
Ithaca, New York
February 1, 1938

Board of Trustees
Fairhope, Alabama

Dear Sirs,

I trust that you will forgive my troubling you, but I thought you would be the persons to whom I might best address my inquiries.

At present I am studying for my Master's Degree at Cornell, and am writing a Thesis on some aspects of the Single Tax. I have been very interested in reading about Fairhope, although there really isn't much material up here. What I would like to do is make a study of the economic history of Fairhope. I do hope you will be kind enough to let me know what materials are available, and whether, if I come out to Fairhope, such materials like assessment rolls and records will be available to me.

I am anxiously awaiting your reply, and thank you very kindly.

Sincerely,

Lucy Ellenberg .

May 11, 1937

Miss Helen W. Faber
561 Hudson St.
New York, N. Y.

Dear Miss Faber:

I appreciate your view that the imposition of a liquor tax in Fairhope is not a just criticism of the plan. As one Single Taxer of national repute stated the Single Tax is not proposed as a substitute for taxes other than those that are levied upon industrial and private initiative of a constructive character and it is not proposed that the land value taxation should supplant taxes levied for the purpose of limiting nuisances nor for the demands made upon the enjoyers of special privilege. Lessees of our Corporation do to a large extent enjoy full exemption from state, county and municipal taxes. Since they are in the main persons of moderate income they are not required to pay any federal income tax. We are not, however, relieving them of the indirect taxes that enter into the cost of most of the agricultural supplies and manufactured articles.

The superiority of our land policy is demonstrated by Fairhope's far greater growth than that of any neighboring town, being now the largest town in the county though one of the youngest.

Under separate cover I take pleasure in supplying you with some printed information.

Very truly yours,

Secretary

CAG/mg

May 8, 1937

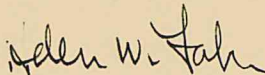
Mr. Gaston
Fairhope
Alabama

Dear Mr. Gaston:

I am doing some research work on land value taxation and am anxious to obtain up-to-date information about the way in which the plan has worked in Fairhope. I do not consider the recent announcement of the imposition of a liquor tax in Fairhope as a just criticism of the plan, and feel that you must have done a good job to keep the colony in operation under the handicap of Federal and state taxes.

I am enclosing stamps in the hope that you may have some material to send me which will show how land value taxation has actually worked in Fairhope. I shall greatly appreciate anything you can send me.

Sincerely yours,



Helen W. Faber
561 Hudson Street
New York, N.Y.

March 25, 1939.

Mr. Chalmer Fisher,
723 N. Chester St.,
Indianapolis, Ind.,

Dear Sir:*

I wish to express my appreciation for your most cordial letter of the 23rd. I do not feel that I am personally entitled to the high commendation you express since the duty of sharing in the direction of the Colony did not devolve on me until after the trying days of the pioneers was past. However, none bore a greater share of the burden nor bore it more willingly than my beloved father and mother, both of whom have passed on within the past few years and for them and for some few others of the older ones I express appreciation for your commendatory remarks.

I have strong hopes of great accomplishment from the Henry George Schools. Never did our country need sound economic guidance more than it does today. I also have hope that the interest being aroused by the schools may direct attention to Fairhope with the possible result that some of those who are entrusted with the guidance of the country may be curious enough to observe what is happening here and if they do I have no fear that the Single Tax solution will gain friends.

While a superficial examination of Fairhope may result in the conclusion that its superiority is due to causes other than the fundamental economic structure on which it is founded, a close study leaves no other conclusion possible. We welcome the closest observation and study and have no fear of the consequences.

I appreciate your sending in the names and I am mailing literature to all, together with sample copies of the Courier and I am also sending a supply of literature to you together with a copy of the Constitution. In the constitution you will find provision for cooperative activities under the direction of the corporation but I am pleased to inform you that it does not appear to be necessary or desirable to resort to these since individual initiative unrestrained appears to be adequate to economically serve the community, except for the public utilities which are owned and operated by the municipality. This corporation confines its activities to the administration of land and has killed speculation.

I shall be glad to hear from you at any time and invite you to visit Fairhope when you can.

Cordially yours,

Secretary.

723 North Chester St.,
Indianapolis, Ind.,
March 23rd 1938.

Mr. C.A.Gaston,
Fairhope, Alabama.

Dear Mr. Gaston;

I have before me a letter addressed to Mr. J.J.Price, 529 Mozart Ave., Indianapolis, Indiana.

I have read all the literature you sent Mr. Price. I take great pleasure in congratulating you and all of your associates for the great success you have achieved by your labor and earnest efforts. I have not the vocabulary to express the praise that is your due. Your Colony will go down in history as one of the greatest achievements of the Henry George Physcology.

I am one of graduates of the Henry George School of Social Science. It was through my efforts that this school was formed. It was taught by Mr. Geo. J. Lindeman. Mr. Lindeman, in my opinion, is one of, if not the best versed teacher in the middle west, his understanding of the George Physcology is excellent.

I note from the last paragraph of your letter that you will send literature to any address given you. I am giving you a few names, will you please send them literature like you sent Mr. Price.

Geo. J. Lindeman, 634 Parker Ave., Indianapolis, Ind.
Conner D. Ross, 108 E. Washington St., Indianapolis, Ind.
O. B. Hanger, 38 $\frac{1}{2}$ N. Penna. St., Indianapolis, Ind.
Sol H. Esarey, 3527 College Ave., Indianapolis, Ind.
Geo. E. Kincaid, 3918 N. Ills. St., Indianapolis, Ind.
Altus Newsom, R.R.#1, Elizabethtown, Indiana.

I again thank you, and wish you and your Colony all the success in the wourld. If the time ever comes, I hope to pay the City of Fairhope a visit.

Very sincerely yours,

Chalmer Fisher

Chalmer Fisher,
Yard Conductor, Indianapolis Term.
Pennsylvania Rail Road.

March 23rd 1938.
Indianapolis, Ind.,
723 North Chester St.,

Mr. C.A. Gaston,
Fairhope, Alabama.

Dear Mr. Gaston:

I have before me a letter addressed to Mr. J.J. Price, 529 Mozart Ave., Indianapolis, Indiana.

I have read all the literature you sent Mr. Price. I take great pleasure in congratulating you and all of your associates for the great success you have achieved by your labor and earnest efforts. I have not the vocabulary to express the praise that is your due. Your Colony will go down in history as one of the greatest achievements of the Henry George Psychology.

I am one of graduates of the Henry George School of Social Science. It was through my efforts that this school was formed. It was taught by Mr. Geo. J. Lindeman. Mr. Lindeman, in my opinion, is one of, if not the best versed teacher in the middle west, his understanding of the George Psychology is excellent.

I note from the last paragraph of your letter that you will send literature to any address given you. I am giving you a few names, will you please send them literature like you sent Mr. Price.

Alma Newson, R.R.#1, Elizabethtown, Indiana.
Geo. E. Kincaid, 3918 N. Illa. St., Indianapolis, Ind.
Sol H. Eassey, 3527 College Ave., Indianapolis, Ind.
O. B. Hanger, 38 1/2 N. Penna. St., Indianapolis, Ind.
Conner D. Ross, 108 E. Washington St., Indianapolis, Ind.
Geo. J. Lindeman, 634 Parker Ave., Indianapolis, Ind.

I again thank you, and wish you and your Colony all the success in the world. If the time ever comes, I hope to pay the City of Fairhope a visit.

Very sincerely yours,

Chalmer Fisher

Chalmer Fisher,
Yard Conductor, Indianapolis Term.
Pennsylvania Rail Road.

April 4, 1940.

Mrs. Virginia Freeman,
Rt. #1, Belle Vernon, Pa.,

Dear Mrs. Freeman:

In reply to your card Fairhope invites you to come back and bring your family with you.

Our corporation has land that can be secured under its regular 99 year lease without the payment of any purchase price and there are always improved properties that can be bought at reasonable prices.

In the Organic School, if you recall, very few text books need be purchased. Mrs. Johnson died about two years ago and the school has continued for this year but there is much doubt of ability to continue it for another year. We have an exceptionally good public school, the educational advantages in Alabama having been much improved in the past twenty years. We still feel that there is a real place for the Organic School but it may not be economically possible to maintain it. Free text books are now provided the pupils in the first three grades of the public school.

Rental cottages vary so in quality that it is hard to answer your question as to the cost of rent of a five room house, however I should say that it would run from \$15.00 monthly up to \$35.00 ~~for a particularly~~ or even higher for a particularly well located and well furnished house. The most favorable rates can probably be secured on long term leases of unfurnished houses.

We have desirable residence lots averaging in size 66ft.x132ft. with an annual rent of from ~~1500~~ \$15.00 up to \$70.00. I am enclosing copies of the lease and application so that you may refresh your memory as to the details of our plan. Country lands are leased on annual rentals ranging from \$2.75 per acre down to 85¢ per acre.

Fairhope has grown considerably since you were here but I believe the desirability of living here has been enhanced rather than otherwise. The increase from 1920 to 1930 was 84% to a population of 1549 and I believe the census now being taken will show a population of about 2200.

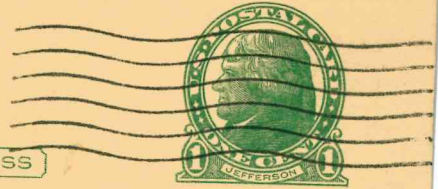
I shall be glad to receive such further enquiry as you may care to make.

Very truly yours,

Mrs. Virginia Freeman
Rt 1 - Belle Vernon
Pennas.



THIS SIDE OF CARD IS FOR ADDRESS



Secretary,
Single Tax Colony
Fairhope,
Alabama

Secretary Single Tax Colony -

March 30 - 1940

Dear Sir:

Please send me information concerning land to be bought, leased or rented in your colony. I went to school at Mrs. Johnson's Organic School twenty years ago, and always have wanted to come back to Fairhope or someplace in Baldwin County. I have letters and pamphlets from The Perkins Land Co. but I do not want to buy through an agency. I'd rather be close to Fairhope to take advantage of the school there for my children. What is the rent for a 5 room dwelling? Does the State of Alabama have free books etc. for children in school as this State does? Send me information concerning schools there. My children were born in Alabama around the Birmingham district. We have been north for five years and do not like it. - Mrs. V. Freeman
Thank you Rt 1 - Belle Vernon Pa.



"Unassuming yet mighty, sharp and pointed, well-rounded yet many sided . . ."

THE ROLLINS SANDSPUR

FLORIDA'S OLDEST COLLEGE NEWSPAPER

WINTER PARK, FLORIDA

ROBERT S. MAC ARTHUR, II
Editor

GEORGE F. FULLER
Business Manager

April 3, 1938

Mr. C. Gaston
Single Tax Corporation
Fairhope, Alabama.

Dear Mr. Gaston:-

Please excuse the long delay in answering your prompt reply regarding the workings of the Single Tax Corporation.

Final Term marks, Exams, and Quizzes have kept us all on the merry hop for the past 4 weeks, and then Spring Vacation. Your letter was immeasurably helpful in compiling material for The paper on Single Tax. I might mention that thanks to your helpful information, the paper was returned to me the other day with a "excellent" stamped on its forward. With out your information I am certain the paper would never have rated the exceptional mark it recieved from the Head Instructor.

Perhaps I could talk with you further along the lines of Single Tax, this summer, provided of course you have the time. There are still points in the system that I can not see how they could possibly work, even under a changed social order. Perhaps there will be time this summer to go into these in detail.

Again thanking you for the information and time you took in compiling it,

I remain sincerely yours,

George F. Fuller

E

April 7, 1938

Dear George:

I am very happy to get your report on your paper on the Single Tax.

I assure you that I shall be most happy to take time to discuss the problem as fully as you may care to this summer.

One of the beauties of the Single Tax is that its adoption requires no fundamental change in the social order.

With sincere best wishes, I am

Sincerely yours,

Secretary

CAG/mg

Feb. 17, 1938

Mr. George Fuller, Jr.
Phi Delta Theta House
Rollins College
Winter Park, Fla.

Dear George:

I am pleased to answer your inquiry about the application of the Single Tax economic principles at Fairhope. To start with it must be understood that our Corporation is only able to make a partial application under existing law.

The greatest value of ~~the~~ Fairhope ~~plan~~ is that *is limited application of the principle* it makes land in Fairhope available, without purchase price, to those who must have it for residence, business and industrial purposes as well as for public use, and further that it protects its lessees against the hindrance and restraint of burdensome property taxes levied by state, county, school district and municipality, accomplishing this by providing for the acceptance by the Corporation treasurer of receipts for such taxes as the lessee has been required to pay, on the payment of his land rent (single tax) to the Corporation, the owner of the land.

The Town of Fairhope has a municipal government just as does Bay Minette, Foley, Robertsedale and other like communities in the state of Alabama and taxes all property, land, improvements and personal property on the same basis of assessment as does the state, county and school district (60% of full value). The total tax levies of these amount to \$2.10 per one hundred dollars of assessed value and the municipal levy in Fairhope is \$1.00 per hundred dollars of assessed value, making the total levy in the town \$3.10 per hundred on other than homestead property which is exempt from the state tax of sixty-five cents per hundred.

The Corporation's lands, both leased and unleased are assessed by the Corporation and the taxes paid by it. The lessee returns for assessment only his improvements and personal property. The owners of non-Colony land must devote a part of their capital to investment in land, pay taxes on both land and improvements and pay all assessments levied against the land for street, sidewalk, sewer and drainage improvements. The Colony lessee can devote all his capital

2.

to improvements and need not fear the tax gatherer. His security of possession is better than that of private owner of land. He cannot be dispossessed so long as he pays the rent while the private owner can be dispossessed for non-payment of taxes or special assessments for public improvements. If the lessee wishes to sell his improvements he is also in a better position since he need find a purchaser for his improvements only while the private owner of land to make a profitable sale must find a buyer competent to purchase his land as well as improvements.

The massing of population, the establishment of social order thru government and the institution of public services, roads, parks, sewers, utilities and their full reasonable cost to the value of land and the singletaxer believes that should this increased value be taken by the government, in the form of a land rental charge, all taxes on improvements and other labor products could be abolished.

The removal of taxes on labor products would appreciable lower the selling price of all merchandise of every character, increasing the purchasing power of the wage earner and create a demand for goods that would wonderfully stimulate industrial activity which would in turn increase the local demand for capital.

The appropriation of rent, the socially increased value of land, by the government, the common representative of the collective producers of rent, would make it unprofitable to hold land except it be put to its most profitable use thus forcing on the market all unused or poorly used land at an economic selling price.

This removal of the unnatural restraint on the use of land, our own natural resources, with its resultant greatly increased demand for the country's accumulated surplus of capital seeking investment would greatly relieve our nation from foreign entanglements which are largely the result of the substantial foreign investments of our citizens.

One can readily see that the increased opportunities for labor due to the stimulated industrial activities coupled with the removal of the restraint from self employment by placing all idle land on the market, wages would seek their natural level which is the full product of the laborer unassisted by capital and supervision plus its share of the additional production made possible by the cooperation of the three, labor, capital and supervision. Thus would be removed a great part of the

3.

cost of labor protective organizations, unions, on the one hand and of financial, commercial industrial organizations, often reaching the proportion of trusts, on the other hand. These two have the effect of decreasing net wages and increasing the cost of industrially produced merchandise, further limiting the power of the country to purchase the merchandise it produces, making a demand by local producers upon the government to maintain foreign markets even at the expense of war.

So far nothing has been said of agriculture but it can readily be seen that it would share fully in all the benefits. The best agricultural land would be made available for its fullest use at its economic value. The machinery and other products needed by the farmer could be purchased at reduced cost after the tax inflation had been eliminated from the selling price. The increased purchasing power of wages and other income would result in a greatly expanded and effective demand for agricultural products and the increased demand for industrially created merchandise would swell the demand for agricultural raw materials.

With all these benefits it can be imagined that the government, as the true representative of all the people, might be active in seeking means to stimulate and encourage agricultural production rather than to restrain and limit it. It might also be offering premiums for inventions to further mechanize industry and even be seeking to stimulate rather than discourage immigration for the more adequate development of our great natural resources.

The Corporation's holdings in the town are about 325 acres, about one-fourth the total and in the country about 4,000 acres. It was founded in 1894. The Corporation receives no favors from the town not accorded to other taxpayers. On the other hand the Corporation has given to the town all the public lands it possesses for parks, municipal building and electric and water utility sites. We are the biggest tax payer in the town and we and our lessees account for about 75% of the total tax revenue.

I am sending you a copy of our constitution and lease contract which I trust will answer your other questions.

I hope you will find this helpful and that I have furnished sufficient "powder for your guns" so that you will be able to "blow them right off their feet." I shall be most happy to learn of the results.

Very truly yours,



"Unassuming yet mighty, sharp and pointed, well-rounded yet many sided . . ."

THE ROLLINS SANDSPUR

FLORIDA'S OLDEST COLLEGE NEWSPAPER

WINTER PARK, FLORIDA

ROBERT S. MAC ARTHUR, II
Editor

GEORGE F. FULLER
Business Manager

February 14, 1938

Dear Mr. Gaston:-

Knowing you to be on the Colony Council I am to-day writing you in an effort to secure some information on "Single Tax". Especially as it is practiced in Fairhope.

Strange as it may seem, after living in good ole Fairhope, on Single Tax land for some 15 years, I find to my chagrin I know next to nothing about the idea. In two weeks I am to complete a paper on Single Tax.

Any information you could send me pertaining to Fairhope and the Single Tax Colony, would be greatly appreciated, whether printed or personal suggestions. Would it be possible to learn a few of the present problems facing the Colony in regard to the valuation of Land during times of Depression, or recession. How is the 'non-Colony land' taxed? What is the extent of Colony holdings? When was it established? How many members comprise the Council? How are they elected? etc... In what way does the Town of Fairhope cooperate with the Colony Council?

I only hope I will not be putting you out too much by asking for all this information perhaps you could refer my requests to the secretary.

I need not say that in such a Capitalistic school as Rollins I have a mighty hard time to defending my position as a Single Taxer of the 1st school. Here's hoping your information will mean more powder for my guns; and with it we'll blow them right off their feet. I shall let you know the results.

Hoping to hear from you soon,

I remain cordially yours,

George Fuller Jr.
George Fuller, Jr.
Phi Delta Theta House
Rollins College Winter Park, Fla,

of these principles. For profit or for the purpose of demonstrating the soundness of the policy, it is not possible in this state as at Milk River for the municipality to separate land from improvements for the purpose of taxation so the policy is necessarily carried out by a private corporation organized not for profit but for the purpose of demonstrating the soundness of these principles.

It is not possible in this state as at Milk River for the municipality to separate land from improvements for the purpose of taxation so the policy is necessarily carried out by a private corporation organized not for profit but for the purpose of demonstrating the soundness of these principles.

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It is not possible in this state as at Milk River for the municipality to separate land from improvements for the purpose of taxation so the policy is necessarily carried out by a private corporation organized not for profit but for the purpose of demonstrating the soundness of these principles.

Dear Sir:-

Mr. J. H. Williams,
Rodey, Oklahoma, Okla.

While the site on which Rathbone is situated was considered the best desirable in this section at the time of its founding our community is now the largest in the entire county, is the most highly developed socially and has the narrowest range between the rich and the poor. It has not been possible to establish really ideal conditions of living for we are dependent on the outside world for a great many of the goods and services that our people consume and therefore the tax inflated costs of these must be borne.

Under separate cover I am sending your some literature and copies of the forms we use in lease transactions and I would be pleased to hear from you and to learn more of your objectives and the means you would propose to secure it.

Very truly yours,

Respectfully,

Editor of Courier

Hearing you paid me the honor of
reprinting a letter of mine to the Windsor Star
I am anxious for a copy of your paper
to find what is your objective and your
policy in the hope of reaching it.

The letter to the Star appeared Dec 21
under the heading Eternal Law above
Mass Inade

Yours J. H. Haisling
Rodney

Ont Jan 21 1939

Mr. C. A. Sartor
sect
Fairhope Single Tax Association
Fairhope
Alabama



J. H. Hanning Rodney Out

dear Mr. Easton

This letter is to acknowledge and thank you for the amount of information you have sent me, and the honor paid me in having an article of mine published in your local paper.

The extracts from Progress and Poverty were read again with much profit and great delight. When I first read Progress and Poverty about 1889 I was convinced of his political progress and that his economic doctrine was sound. I was unable however to grasp the loveliness and harmony of his philosophy at that time. I had read the "land question" and a great many tracts put out by the single tax association before reading his "Standard work". I read a passage at Arnis' between he and the Duke of Argile, and a "Perplexed Philosopher" before that.

Oh yes I was as service a disciple to George at that time as any communist could be to Karl Marx. and spent all of my earnings I could afford in the hope of bringing his policy into practice. When the responsibilities of supporting a wife and family ^{came upon me} I concluded my first responsibility was to fit my family how to fight the battle of life in this criminally insane political racket in which we find our selves ensnared and intangled.

Instead of continuing to be a propagandist of the single tax I became a death seeker of every philosophy and religion I could find preached & take much more pleasure in exploring

and the blazing of trails thro' the organizing of gangs to go in and take possession of a land now occupied by a people of a different faith.

For forty years I have been convinced that the philosophy George expounded would be brought into practice by such co-operative colonies as you seem to be ~~being~~ making a success of.

About 1918 or 1919 a friend of mine left South-
Ste Marie Out and went down to the southern
States, - Alabama I think - He - I think - visited - your
prospect. I well remember him writing me about -
an experiment - being worked out by single taxers
which he thought was proving a success. His
name was Halfpenny. He had been a labor
organizer in Britain and had been a member of
the Fabian Society. If he is still in your
section of the Alabama you will know of him.

If I - at that time - had been as free as I was
intangled I would ^{have} investigated it with the
intention of becoming an associate, all parties being
agreeable. I am ~~just~~ ^{earning} a living for my wife and
self. Provisionally I ~~thought~~ I could get work
I might exchange our winter next season for
the warmer climate of Alabama, and watch the
working to a conclusion the George philosophy
according to the "fairhope single tax co-operation".

I have become associated - to some degree - with several
co-operative bodies and would have formed others
but for the fact advocates of the proposition could not
agree upon a policy to determine our conduct.

My purpose is to send an order shortly for some
of the single tax propaganda.

Very truly yours J. H. Haining Rodney Out
Feb 10 1939

Feb. 5, 1940.

Mr. Roy Holland,
E. Tallassee, Ala.,

Dear Mr. Holland:

In reply to your post card addressed to E. B. Gaston I regret to inform you that E. B. Gaston, my father died two years ago. I am filling the position so ably filled for many years by him and I assure you I am pleased to receive you enquiry.

I feel quite sure that most of the prominent colleges and universities include the philosophy of Henry George in their general course in political economy. Probably few of them know of any demonstration of its efficacy or if they do know of Fairhope they may not consider the accomplishments of this demonstration under the direction of a private corporation rather than a political body as of particular value. the

It appears to me to be quite evident that general trend of political government is toward social control over the activities of individuals and corporations and a lack of confidence in the individuals and corporations to work out their own salvation. I believe we have disproved the need for this in Fairhope. The greater number of our citizens arrived in Fairhope with very meagre means, many of them with nothing. Fairhope has no community chest or special fund for helping such but our citizens are sufficiently independent, even in these and the past days of widespread unemployment to make the number of qualified WPA workers so small that a municipal WPA project for 20 men, though approved more than a year ago has not yet been released.

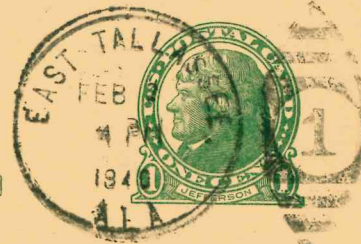
While the general reference made to the Single Tax in our colleges and universities is responsible for bringing quite a number of enquiries to my desk, the most valuable educational activity at this time is that of the Henry George School of Social Science, whose literature I enclose. I am also sending under separate cover some literature and forms used by our corporation and wish to assure you that I shall be glad to answer any further questions that may occur to you.

In the history pamphlet you will find the answer to your question as to population as of 1930. I feel sure that the 1940 will show a substantial increase. In the history pamphlet you will note on the inside of the last page. I find that I have erred in this but am enclosing herewith a leaflet regarding population and growth. The official census of 1920 gave Fairhope a population of 853 and in 1930 1549 an increase of 82%, greater than that of any other town of comparative size in Alabama.

It would appear that the great need of society today is not subsidies from government but a public revenue practice that makes it unprofitable to hold land out of use so that all economic opportunities are available to those who must use them.

R. Holland
E. Tallasseu
Ala.

THIS SIDE OF CARD IS FOR ADDRESS



E. B. Gaston

Fairhope, Ala.

Feb. 2-40, E. Tallahassee, Fla.

Mr. Gaston:

Dear Sir,

Will you please give me the names of
the most prominent Colleges or Universities
that teach the Economy or Philosophy of
Henry George; & if convenient, what is the
rate of increase of population or employment in
the enclaves of Economic Rent. What is the
present population of Fairhope, please, & what was the
original population. Yours truly, Roy Halland

April 2, 1940.

Mrs. J. V. Lacroix,
1310 Howard St.,
Chicago, Ill.,

Dear Mrs. Lacroix:

While in Bay Minette yesterday, your letter addressed to the County Clerk was handed me for reply.

All of our Corporation owned lands are in or near Fairhope. In the town we own 328 acres, about sixty per cent. of which is leased and in the country we own about four thousand acres of agricultural and grazing lands the major portion of which is now under lease.

There are frequent opportunities to secure holdings through the purchase of improvements and the transfer of lease rights. As the available lands of the corporation become exhausted by being taken up it will no doubt purchase additional land when prices are low. We have no fear that these times will come again and again so long as the present uneconomic method of acquiring public revenue through taxation continues, encouraging land speculation with some of the speculators always getting caught short.

Under separate cover I am sending you some literature and forms used by the corporation with a sample copy of our local paper. I invite your further inquiry and hope it may be possible for you to come to Fairhope and pay us a visit.

Very truly yours,

Secretary.

March, 26-40

County Clerk,
Baldwin County
Alabama.

Dear Sir; -

I am interested in all
information I can secure
about the single tax
property in Baldwin County
and would appreciate it
if you could give me details
on this subject.

Thank you.

Sincerely
Blanche Lacroix
(Mrs. J. V. Lacroix)
1310 Howard St. Chicago,
Ill.

Feb. 3, 1940.

Mrs. L. E. LaMont,
2831 Alston Dr.,
Atlanta, Ga.,

Dear Mrs. LaMont:

Mr. Wolcott handed to me for reply the letter of enquiry recently addressed to him by you.

Under separate cover I am sending you literature and forms used by our corporation. You will note that we do not convey fee simple title to our lands but afford the user security of tenure through a 99 year lease.

Land of itself has no value and the value that attaches to land is a product of the combined activities and expenditures of government and of the individuals who have residence or engage in business in the neighborhood. It is evident that this value cannot justly belong to any individual and we believe it should be the source of revenue for governmental purposes and that if government collected this value it would be unnecessary to levy taxes on private property and the industrial activities of citizens and corporations.

To demonstrate the practicability of this theory Fairhope's founders purchased land the title to which is held in common, the members leasing from the association so much as they required for their individual use and paying into the common fund the annually appraised rental fixed at what was calculated to be the social value attaching to the site so leased. The lessee, when he became the owner of taxable property was relieved of the burden of such taxes by having them absorbed in the rent paid into the common fund the benefits from which he shared equally with all others since any excess over that required for the payment of taxes and reasonable association expenses is pledged to the supplying of local improvements of a public character.

Our corporation has both country and town lands that can be leased on this plan and some of our lessees have improved properties, the improvements on which are for sale. When these are sold a new lease for 99 years is issued to the buyer. Lessees are not required to become members of the Corporation nor to make any contribution other than the payment of rent.

Very truly yours,

Secretary.

FIREPROOF

HOTEL MARIE

Every Room With Private Bath

GRILL IN CONNECTION

♦♦

FREE INSIDE STORAGE

PANAMA CITY, FLORIDA

Thursday, Jan. 25, 1940

Mr. Ed Wolcott, Sec.,
Single Tax Colony,
Fairhope, Ala.

Dear Mr. Wolcott;

a position/ Your name was given to me as being one in
to give some information about getting some land
there. Would appreciate knowing as much detail as you can
send me, also what, if any, you have for sale at this time.
I am only interested in a small acreage, twenty or thirty,
and a small house. Mainly would like to live down there, and
perhaps raise a few chickens.

I am a resident of Georgia, would that
have any affect on my securing this property? I am also
writing to Capt. Joe Pose about the possibility of buying
a farm in your vicinity.

Thanking you in advance for any help
you can give me I am,

Sincerely Yours,


Mrs. L. E. LaMont

2831 Alston Dr.,
Atlanta, Ga.

Omaha Neb.

1-29-40.

Editor-

Fairhope Courier-

Dear Sir:-

For the enclosed 1.⁰⁰ pls
send me your paper for as
long as 1.⁰⁰ will pay for it - also
if you have any printed matter
describing your Single Tax Colony
I would very much like to have
some of it -

Resp.

Frank J. Linder

1635 N. 66 St.

2/5/40

Post Card reply

History

Constitution

App. & Laws

Vacation at F.

37 Colony folder

March 13, 1940.

Department of Economics,
Marietta College,
Marietta, Ohio,

Dear Sirs:

I am pleased to have a request to send you reports and bulletins of this Corporation for use in your class in Public Finance.

It is encouraging to learn that your college is to give more than just passing attention to the single tax method of securing public revenue.

In 1939 the Public Revenue, rent, collected, or levied on the leased portion (about 80%) of this Corporation's lands in the Town of Fairhope, about 327 acres in all, amounted to more than \$25,000.00, enough to pay the state, county, school district and municipal ad valorem taxes on both the land and the improvements and personal property of the lessees and to pay the poll taxes on all lessees who were so assessed. In addition the rent collections paid the administration costs, furnished contributions to the tourist club, public library and cemetery and paid paving assessments on some miles of paved streets.

This land was purchased by the founders of Fairhope in 1895 and shortly after at prices per acre ranging from \$1.25 to \$6.00. It comprises only one-fourth of the land owned within the municipal area but on it is located about three-fourths of the improvement value including all but one or two minor business institutions.

While this land and revenue policy is in force on only one-fourth the area of the town Fairhope, though one of the youngest towns in the county is the largest and has more cultural and social advantages than does any other town of like size or of many appreciably larger towns. Nor does Fairhope occupy the most favorable site in the county, the natural endowments of some others being much greater.

There appears to be no question that the existing public revenue systems in use in this country have many faults and few if any virtues. Their inadequacy to provide sufficient public funds is proclaimed by every political subdivision, to insure against evasions it is necessary to keep a large force in the field at all times and to engage in expensive legal action. In addition to these faults it seems that it is impossible to so distribute the burden that it never bears with undue weight on some one or another of the vital economic divisions of the national economy, making it necessary for every considerable group to maintain in Washington and in the state capitals, lobbyists who will attempt to so influence legislation as to favor their particular group.

Citizens have naturally come to the conclusion that taxes are a burden on industry and a restraint on the exercise of individual initiative. So strong is this conviction that the hindrance of expensive access to natural opportunity, the prime necessity of industry, is largely overlooked or unrecognized.

I believe we have demonstrated the truth of the single tax assertion that its method of deriving public revenue through government collection of the rent of land will make every unused natural resource readily available for the normal expansion of industry and the free development of the individual initiative. In Fairhope the 40% of unleased unused land is freely open for use as it is needed; not one cent of purchase price will be required of the individual or corporation having need of it and their entire capital investment will go to the payment of labor for its suitable development.

Again assuring you of my satisfaction in having this opportunity to furnish you with material on Fairhope which I am sending under separate cover I am

Very truly yours,

Secretary.

Feb. 2, 1939.

Mr. Francis I. Mooney,
Katz Building,
Baltimore, Md.,

Dear Sir:-

Mrs. Ogle came into my office a few days ago to get some information about the Corporation that she said you desired and I volunteered to write you.

The last considerable purchase of land made by the Corporation was in 1927 when about 40 acres was purchased in the south edge of the town. Completion of purchase of a considerable tract in the country was made a little later but had been contracted for earlier. At the time the above purchase of forty acres was made there was a very considerable activity in land transactions here and a large part of the holdings in the town were under lease. I do not believe we appreciated at the time the extent this was due to speculative demand or was I doubt that we would have made the purchase when we did. It was only a short time, as you know, before the speculative wave that swept the was definitely subsiding and land was coming back into the hands of the corporation through surrenders by lessees who either had to abandon their plans for development or who found there would be no chance to hold some one up for a transfer bonus.

While our rent collections for 1938 were the highest in the history of the Colony we have land available in every section of the town which is better located than the land purchased in 1927 which remains largely unleased. The Corporation has no fixed land ~~making~~ acquirement program but it is the opinion of the writer the expansion of present holdings should await a greater absorption of present lands available for lease. Of course there are exceptions as within the past year when we have accepted from lessees deeds to lots owned by them in payment on their rent accounts and have had in the past few years some small gifts.

When Fairhope was founded this was the only undeveloped section of this shore for some miles in either direction and this neglect was largely due to what was considered inferior natural advantages. Because of this the founders of Fairhope were able to acquire title to sufficient land on which to start at a very reasonable cost. While nature has done nothing to improve conditions and modern trends in transportation have removed Fairhope from the main line of travel Fairhope continues to be the most

progressive town in the county and is now the largest though one of the youngest.

Our people are not superior in natural qualifications and aptitudes to those of other communities but here they have unrestricted access to natural opportunity and being denied the opportunity to profit through speculation their investments are in constructive ventures. Fairhoppers have been relieved of the necessity of making any investment in land and have therefore had such capital as they possessed to invest in improvements and personal property.

Some Singletaxers cannot see why all the land available on such terms as we offer it has not been taken up and the town grown to the extent of its land area. It takes more than just land to make a town and as stated Fairhope has no peculiar natural advantages that are not exceeded in some other communities and neighborhood and there has been no industrial development here due to lack of transportation and to the general lack of such development in this entire section.

Within the town the Corporation owns less than one-fourth of the land area yet by far the greatest development is on our lands. The 1938 assessed values in the town were \$922,203, divided as follows: improvements \$545,620, personal property \$77,563 and land \$299,020. On the lands of the Corporation, less than one-fourth of the total, the assessed value was \$141,720, improvements of lessees were valued at \$545,620, more than four-fifths of the whole and their personal property at \$51,925, two thirds of the whole.

Under separate cover I am sending you some additional information and a copy of the Fairhope Courier containing a report of the last annual membership meeting. I hope you will find these interesting and if there are any further questions you would like to have answered I will be glad to hear from you.

Very truly yours,

Secretary.

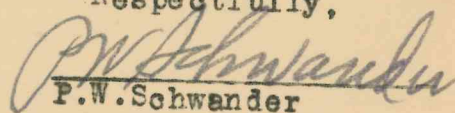
121 Pierce Avenue,
Houston, Texas, June 20

Dear Mr. Gaston:-

I have just finished reading your excellent letter to the Courier on "Promoters Bid for the Agricultural Laboratories" and am surprised to learn my home state of Texas is bidding a millions dollars to have it located here! Go away from home to get the news from home How is it possible that such a thing as this putting up a bribe to get the location of a federal instutution can get by without criticism or putting the tax-payers wise to how their money is used to build up private fortunes via the "Unearned Increment" route?

I am glad to see the Courier still standing up for the old faith and keep the lamp burning, though it does seem it would be easier to wake the dead than to arouse the living! However, let the good work go on- success is the business of the gods.

Respectfully,


P.W. Schwander

June 23, 1938.

Mr. P. W. Schwander,
121 Pierce Ave.,
Houston, Texas,

Dear Mr. Schwander:-

Your letter of commendation of my recent editorial comment in the Courier is much appreciated. We sons and daughters of E. B. Gaston have always fully appreciated the importance of the work he carried on throughout his life and for which the Courier was a considerable medium.

During my father's life this work was carried on so well by him that there appeared to be no call on the rest of us to develop ability to duplicate his work. Unhappily now he has gone from us and we want his work to live on so are striving to live up to the high standard of service he set.

True, as you write, "it does seem it would be easier to wake the dead than to arouse the living". However our hope lies in the living and our effort must be expended on them. There is a hope, it seems to me, in the very fact that the economic state of our nation and the world appears to be becoming more acute which should make it easier to point to the evils and the cure.

Fairhope daily becomes a more shining light in the gloom around and I have strong hopes that developing conditions will make its contrast more pronounced. Perhaps, as my father dreamed, it may be merged into a state and nation in which the application of its principles by statutes duly enacted as the will of a majority of the people, shall happily remove any occasion for private and partial demonstrations; to hasten which happy day, is indeed, the chief reason for the existence of the Colony".

Fraternally yours,

Jan. 30, 1940.

Mr. John Scott,
% "Money",
280 Madison Ave.,
New York City,

Dear Sir:

Alexis C. Fenn, of the Modern School, Stelton, N. J., informs me of your enquiry about the tenure of land in the Single Tax Colonies and I am enclosing herewith copies of our application for land, lease and constitution.

The security of tenure provided in these instruments seems to be fully adequate since the most valuable improvements in our town are on lands leased from our corporation, this, in spite of the fact that there are an adequate number of desirable sites that can be secured in fee simple through purchase of title. While our corporation owns only about one-fourth of the available land inside the corporate limits of Fairhope by far the greater part of the development is on our lands and at the present time, as in the past new building and transfers are more active on our lands than on the privately owned lands.

Relief from the necessity to invest capital in title to land provides such attraction that Fairhope has become the largest town in the county though it is greatly inferior in transportation facilities and considerably so the fertility of its surrounding agricultural lands and industrial advantages.

In the beginning our corporation provided that if its lessees would pay to the corporation the full rental value of the land leased the corporation would assume payment of all taxes levied on the improvements and personal property of the lessee by the state and county and later when the municipality came into existence the council took action approving the payment of like taxes levied by the municipality. This resulted in some cases of the corporation being required to pay out more in taxes than it received in rent. While there were never enough of these to financially embarrass the corporation it came to be considered a dangerous risk and was labeled by some as "the poor man paying the rich man's taxes. The result was an amendment to the constitution and lease contracts providing that the corporation should not be required to pay more taxes for the lessee than the rent paid by such lessee.

The present applications for land and lease contracts also contain contractual provisions to prevent speculation in lands leased from the corporation without raising the rent to a figure that might be excessive to bona fide users of the land.

I shall be glad to answer any further questions you may ask and I wish to assure you that we will be interested in such comment as you may care to make.

Very truly yours,

Copy to
Alexis C. Fenn

Secretary

The charges at the Living House
are nine dollars per week
for board and tuition
plus an initiation fee of ten dollars.
A few children can be taken into the
Living House at the present time.

Our pamphlets:

The Spirit of Freedom in Education
by Elizabeth Byrne Ferm .25c

The Problem of Education
by Alexis C. Ferm .10c

For further information write the Secretary,
The Modern School, Stelton, N. J.

Printed by Teacher and Children of The Modern School

The Question Asked
at
The Modern School



Stelton, New Jersey

THE MODERN SCHOOL AT STELTON, N. J.
poses this question to it's staff:

"How shall we preserve the creative,
the self-directing, the self-reliant,
the inquiring instincts of the child
and at the same time help him to develop
his co-operative and thoughtful qualities?"

If we believe in the individual
this question must always confront us,
since most of the world
seems to be intent
on regimenting the individual
whether he wills it or not.

In view of the above question,
the conditions for growth
are left as free as possible
in the environment
in which the child must live
and move and have his being.

The child's freedom hampered only
by the equal freedom of the humans
with whom he must have his social contacts
and by the necessity for doing such work
as is necessary to keep us alive,
clean and wholesome.

The activities in the environment
consist of painting, drawing,
wood and metal work,
weaving, printing, dramatics, music,
gardening, athletics,
use of library and books
and the children's own creative play.

For children whose parents
may not live in the colony,
we have a Living House
under the care of
an intelligent house-mother
who tries to make a home atmosphere
and to let the children feel that
all are on an equal footing.



THE MODERN SCHOOL

FERRER MODERN SCHOOL ASSN., INC.

ELIZABETH BYRNE AND ALEXIS C. FERM, CO-PRINCIPALS

Stelton, New Jersey
Jan. 21, 1940.

Secretary,
Fairhope Colony,
Fairhope, Ala.

Dear Sir:

A friend, John Scott of "Money" asked me about the tenure of land in the S.T. colonies and I found when I tried to explain to him that I was not so sure.

Do you happen to have anything printed that shows how the land is held and how leased to users and if so would you please a copy to John Scott, c/o "Money", 280 Madison Av. N.Y.?

Have you found that there were any mistakes made in the original deed that you would correct if you had it to do over again? I wonder if Fiske Warren's "Enclavrs" would explain the matter. We had a copy once but someone got it and we do not remember about the contents.

Sincerely yours

Alexis C. Ferm

Feb. 9, 1940.

Mr. Walter E. Sweeting, 3960 Filbert St.,
3960 Filbert Street,
Philadelphia, Pa.,

Dear Mr. Sweeting:

Please accept my too long delayed thanks for your service in referring my request for information on the Somers System of appraisal to Mr. Pollock. They sent me, for inspection, their publication, The Science and Practice of Urban Land Valuation, which I have found to be most helpful. We purchased two copies, one for the office and one for the public library and I have just had the pleasure of recommending it to the trustees at Arden.

I appreciate your personal note of remembrance but suspect that it is my father whom you remember since I never had the pleasure of visiting Arden. Dad died two years ago and while we all greatly miss him the fact that the colony is going on unperturbed and with unabated growth testifies to the fundamental economic principles on which it is founded.

During Dad's life many were inclined to look upon the colony as a part of him, or dependent on a personal entity for its very existence and survival, failing at the time to see the true elements of its structure. These true elements which it is of the greatest importance that others who admire Fairhope, do see, are now in greater prominence, and while the benefits to us here sharing them are well worth every effort, we do hope that the example will be of broader influence. In these times when so many appreciate that there is something radically wrong with our economic machine and confess their ignorance of just what it is perhaps we may have the opportunity to point the way.

Again thanking you for your service and assuring you that I shall be glad to have you call on me if it should ever happen that I can do something in return I am,

Very truly yours,

Secretary.

WALTER E SWEETING

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ 3960 Filbert Street
PHILADELPHIA

August 22, 1939

Mr. C. A. Gaston
Fairhope Single Tax Colony
Fairhope, Alabama

Dear Mr. Gaston:

Pardon delay in replying to your letter of
August 4th due to the fact that I have been
out of the city much of the time.

I have referred your letter to Mr. Walter W.
Pollock, President, Manufacturers Appraisal
Company, Manhattan Building, 4th & Walnut
Streets, Philadelphia, as this company is
the owner of the Somers System you referred
to.

I am sure Mr. Pollock will be able to give
you all the information desired.

Yours very truly

W. E. Sweeting
Walter E. Sweeting

WES:C

*Remember meeting you
many years ago when I was
in Fairhope & later I think
when you visited Cedar
- Regards -*

Advance Storage Company

AGENT-MEMBER ALLIED VAN LINES, INC.

5521-5525 MARKET STREET · PHILADELPHIA, PENNSYLVANIA

BELL TELEPHONE: GRANITE 1500
KEYSTONE TELEPHONE: WEST 5041

FROM THE OFFICE OF WALTER E. SWEETING, VICE-PRESIDENT AND DIRECTOR OF SALES

February 19, 1940

Mr. C. A. Gaston
Fairhope Single Tax Colony
Fairhope, Alabama

Dear Mr. Gaston:

You evidently are correct in the statement in your letter of February 9 that I referred to your father rather than you because I recall meeting him both in Arden and Fairhope. Sorry to have learned of the death of your father whose acquaintance I enjoyed much.

I visited Fairhope over a week-end when in Mobile on business at a time when I was employed by Mr. Pollock's Manufacturer's Appraisal Company in 1913.

Mighty glad to learn that the information I gave you proved helpful.

It seems strange that the trustees of Arden did not know about Mr. Pollock's book because the improved method of assessing rental values in Arden was worked out by the Arden Board of Assessors, of which I was Chairman, and very largely based upon experience I gained from handling similar problems when employed by Mr. Pollock.

Call upon me anytime I can be of assistance.

Sincerely yours


Walter E. Sweeting

WES:C

LET STORAGE HELP YOU

MEMBER OF
NATIONAL FURNITURE WAREHOUSEMEN'S ASSOCIATION
PENNSYLVANIA FURNITURE WAREHOUSEMEN'S ASSOCIATION
PENNSYLVANIA MOTOR TRUCK ASSOCIATION

March 29, 1939.

Mr. E. L. Sykes,
Sparrow Advertising Agency, Inc.,
700 Farley Building,
Birmingham, Ala.,

Dear Sir:-

Your letter addressed to A. F. Gaston was handed to me for reply. I wish it was true that Fairhope could be relieved of all taxes other than land rent and a tax on beer. While we feel sure that our nation and its various political subdivisions could be adequately supported from public revenue derived from land rent collections I fear that it would not be practical to make a local demonstration of such a plan. Income taxes, corporation taxes, license taxes, processing taxes and all the multitude of indirect taxes make the problem of equitable adjustment too complex.

Fairhope's partial application of the plan, paying for its lessees only the ad valorem taxes on improvements and personal property and poll taxes shows such advantages in a better economic status of its citizens due to the relatively greater purchasing power made possible through the elimination of taxes and the diversion of any private capital into the purchase of land.

Imagine that even this partial application would do for Birmingham or if even only the municipal revenue was derived through the collection of rent in lieu of taxes on improvements and license levies that must be borne by business and industry. With every site in the city charged a rent levy in proportion to the municipal benefits made available at the site whether the owner availed himself of these benefits or not and with all improvements and other evidences of productive activities exempted from municipal taxation there would be an economic necessity to adequately use every unused or inadequately used site in the city or to put it on the market at a price low enough to attract a buyer who would use it. Then articles of industry could be produced in Birmingham at a price that other sections of the country could not compete with and the greater purchasing power of the citizens of Birmingham would result in a greatly expanded home consumption of the products of local industry.

I enclose a little folder explaining the plan at Fairhope which we have for distribution. I hope you will find your answers in it and I wish to express our appreciation of your interest. We would be glad to receive a copy of your publication.

Very truly yours,

BIRMINGHAM, ALABAMA

$$\begin{array}{r} 1500 \\ 65 \\ \hline 900 \\ 400 \\ \hline 1040 \\ 1170 \\ \hline 4452 \\ 1300 \\ \hline 5152 \\ 5282 \end{array}$$

Secretary,
E. B. Gaston,
Fairhope, Ala.

Dear Sir:

In a few days you will receive a booklet containing a copy and explanation of the new, 1938 Federal Tax Law - just enacted.

It will be sent to you with our compliments.

And we shall be happy to send a copy of the booklet - in your name but at our expense - to any three of your business friends.

We are doing this because it seems a good way to counteract a dangerous misunderstanding which appears to be generally prevailing. Doubtless you yourself have met with it. This misunderstanding is that the new, 1938 tax law - just enacted - simplifies and reduces Federal taxes.

* * * * *

Careful analysis of the new law exposes the fallacy. Consider just one point, as an example:-

Under the old law, the "Little Business Man" paid a heavy tax if he did not distribute to shareholders, in taxable dividends, all or a large part of his earnings.

It is commonly thought that the new 1938 law provides relief - newspaper reports and semi-official speeches have conveyed this impression. But many "Little Business Men" will be surprised and disappointed when they realize the facts, as given in the table on the next page.

This table shows that, for most corporations, taxes will actually be increased by very substantial amounts!

Example 1

INCREASE IN NORMAL TAXES UNDER NEW 1938 LAW

Amounts of Normal Tax

<u>Amt. Net Taxable Income</u>	<u>Old Law</u>	<u>New 1938 Law</u>	<u>Increase Percentage</u>
\$ 5,000	\$ 490	\$ 625	27%
10,000	1,040	1,325	27%
15,000	1,590	2,025	27%
20,000	2,240	2,725	21%
25,000	2,890	3,525	22%

* * * * *

This is just one example of the way things really will work out under the new law. The picture isn't exactly rosy.

There isn't much cause for optimism in the next example given below, either.

This illustrates how a corporation with a net taxable income of \$40,000 pays an increase of 23% in taxes, even though it distributed to shareholders 75% of its earnings.

Example 2

Old Law

Net Income.....	\$40,000.00	
Less Normal Tax.....	4,840.00	\$ 4,840.00
Adjusted Net Income.....	35,160.00	
Dividends Paid Credit (75% of A.N.I.).....	26,370.00	
Undistributed Profits.....	8,790.00	
Surtax on Undistributed Profits		818.50
Total Tax.....		\$ 5,658.50

New 1938 Law

Net Income.....	<u>\$40,000.00</u>
Normal Tax (19% of \$40,000)....	7,600.00
Less credit for dividends paid.	<u>659.25</u>
Total Tax.....	6,940.75
Tax under present law.....	<u>5,658.50</u>

Increase in tax..... \$1,282.25

* * * * *

So there are two examples of what the true state of affairs is under the new law. Numerous other examples could be cited. For instance:-

Corporation "A", with a net taxable income of \$90,000, takes, among its deductions, items totaling \$15,000 which are later disallowed by the Bureau. The result is a tax of \$2,850 on the \$15,000 of disallowed items!

Mr. "B", an individual, finds that because of the new gain-and-loss provisions of the law, his taxes are increased \$700 on one stock transaction alone!

* * * * *

Yes - analysis shows that the new law isn't what business men have been confidently expecting. But is the situation entirely hopeless?

Here the answer is "No." The new law does provide some opportunities for tax-savings. And because of the unlooked-for increases in taxes, it is more important than ever before to take full advantage of every opportunity that the law permits.

Here is one example of a saving of \$1,710 in taxes, under the new law, effected by properly handling an ordinary business transaction.

The "X" Corporation owns a piece of equipment which it intends to replace. Should the obsolete equipment be sold - or traded-in - or abandoned?

The corporation already has losses of capital assets in excess of capital gains to the extent of \$2,000. Its books show the following:-

Example 3

A SAVING OF \$1,710

Original cost of machine.....	\$50,000.00
Less depreciation which has been deducted to date.....	40,000.00
Undepreciated value.....	10,000.00
Resale value or trade-in value.....	1,000.00
Remaining undepreciated value after effecting sale or trade-in.....	<u>9,000.00</u>

* * * * *

Under the new 1938 law, the taxpayer should sell the machine. He could then write off \$9,000 from operating profit - which he could not do under the old law.

\$9,000 @ 19%.....\$1,710

Thus a saving of \$1,710 in taxes is effected on this one transaction .

* * * * *

Other opportunities for saving taxes are available. They are written into the law. They are offered to all taxpayers - for the taxpayer himself to accept or to neglect. But the taxpayer who wants to accept them, must do so now.

Tax-savings must be made "now or never" because the new law is retroactive to January 1. Thus, business has already been operating under it for months!

What should be done?

First, everyday business practices should be checked immediately. For instance, don't buy or sell equipment, don't buy or sell corporate securities, and don't adopt any dividend policy, without considering the new law.

Second, bookkeeping methods may have to be changed. Under the new law it is vitally important to make sure that charges for depreciation are properly handled - that entries being made right now will enable you, later, to take the maximum deductions for depreciation and business expenses - that provision is made for the additional records which will be required covering security transactions.

Third, existing proposals for sales and exchanges of capital assets may have to be modified. Purchases of equipment, and transactions affecting real estate, are among the items involved here.

Finally - and most important of all - arrangements should be made at once so that you will have always at hand authoritative and up-to-date information on the new law.

* * * * *

As a source of such information, we suggest the Prentice-Hall "Federal Tax Service."

This is the Service now being used by such firms as General Electric - Continental Can - Eastman Kodak - General Motors - Pillsbury Flour Mills - Procter & Gamble - and other nationally known concerns.

Thousands of other companies are also regular subscribers. For example, the Beaver Creek Coal Company, Huntington, West Virginia - Smith Printing Company, Williamsport, Pennsylvania - Granite Rock Company, Watsonville, California - United Collieries, Cincinnati, Ohio - Joplin Coca-Cola Bottling Company, Joplin, Missouri.

Subscribers such as these have reported real savings - in time, trouble, and taxes - that more than pay for the modest Service cost.

It is not unlikely that this would be your experience also. But you will want to decide that for yourself.

Accordingly, we shall be glad to forward the Service to you with the unconditional guarantee outlined on the next page. And the Service will be sent entirely without obligation, for 15 days' free examination. If it does not meet your needs, it may be returned. That will end the matter.

The publishers, Prentice-Hall, Inc, make the following unconditional guarantee on the "Federal Tax Service" -

* * * * *

Convenience:- The "Federal Tax Service" is a one-volume, loose-leaf publication - compact and convenient to use.

Special reports:- Loose-leaf, supplementary reports are issued at least every two weeks. These reports keep you informed of the latest developments and replace pages which have become out-of-date. When you refer to any section of the Service, you get the latest answer to your question.

Tax-saving suggestions:- A special section is devoted exclusively to practical, legitimate methods of saving money in taxes.

Analytical outlines:- These are a copyrighted device that protects you against paying too much in taxes. They enable you to make a rapid but thorough check of the tax liabilities involved in normal business transactions before the transactions are undertaken.

Check lists:- Deductible and non-deductible expenses and losses (more than 400 of them) are listed alphabetically for quick reference.

Specimen tax returns:- Filled-in specimen returns are provided for corporations, partnerships, fiduciaries, and individuals. Detailed instructions and computations explain each item on the returns.

Editorial explanations of the laws:- Concise, authoritative explanations of the laws are made by a staff of Federal tax experts. These explanations simplify the laws, and draw attention to many points which might otherwise be overlooked or misunderstood.

Law and regulations:- The Service contains a verbatim copy of the Federal tax laws and the Regulations, together with convenient digests and excerpts from court, B.T.A., and Treasury Department decisions and rulings, and special rulings obtained by Prentice-Hall.

Advance information on changes in the laws:- Subscribers are kept informed on pending changes in the laws.

* * * * *

With this guarantee, we invite you to send for the one-volume "Federal Tax Service" today.

The Service will be sent to you without any obligation whatever. If, at the end of 15 days' use, you do not wish to keep it, simply return it. That will end the matter.

The form on the next page is for your convenience. A postage-free envelope is also enclosed.

Thank you.

Very truly yours,
Stanley M. Brown

Stanley M. Brown
PRENTICE-HALL, Inc.

P.S. The form on the next page also provides space for the names of the three business friends to whom we said we would send a copy and explanation of the new, 1938 Federal Tax Law - in your name but at our expense. We hope this will be helpful to them.

MAIL IN ENCLOSED POSTAGE-FREE ENVELOPE

FROM:

Secretary,
E. B. Gaston,
Fairhope, Ala.

TO: Prentice-Hall, Inc.
70 Fifth Avenue
New York, N. Y.

Send me your booklet containing a copy and explanation of the new, 1938 Federal Tax Law, as soon as enacted.

Also send the booklet to the following three of my business friends, in my name but at your expense:

Name.....Title.....

Company.....

Street.....City.....State.....

* * * * *

Name.....Title.....

Company.....

Street.....City.....State.....

* * * * *

Name.....Title.....

Company.....

Street.....City.....State.....

* * * * *

Also send me, for 15 days' free examination, your one-volume "Federal Tax Service."

If I decide to keep it, I will pay only \$12.50 at the end of the examination period, and \$9.50 quarterly for 5 quarters, beginning October 1, 1938. This will be my entire cost for the period ending December 31, 1939—including all supplementary reports and full information on the new, 1938 Federal Tax Law.

If I decide not to keep the Service, I may return it without any obligation. In that event, all charges will be cancelled. That will end the matter.

✓ Signed.....

MEMPHIS CHAMBER OF COMMERCE *Convention Bureau*

MEMPHIS, TENNESSEE

W. W. FISCHER,
CHAIRMAN

R. E. LOGSDON,
DIRECTOR

April 13, 1939

Dr. C. A. Gaston,
Fairhope, Alabama.

Dear Dr. Gaston:

Presently, that is to say, May 6 and 7, 1939, you will be in attendance at the annual meeting of the Southern States Research Societies at Hotel Peabody, in Memphis. We wish to extend to you a most hearty welcome to this city, which you have not visited for a number of years.

In talking to members of your local committee on arrangements, we find they have provided a splendid scientific program, including a number of eminent men who will bring you up to date in post graduate work.

You will be interested to know that in addition to the regular entertainment program for the meeting, enjoyable as it will be, that on Tuesday evening, May 9th, the opening of the Memphis Cotton Carnival will take place. We sincerely trust you may find it possible to stay over for this event. Your time on Monday and Tuesday may be taken up with discussions with individual members of your profession - both local and from out of town - and we feel you will greatly enjoy the opening spectacle of the Cotton Carnival.

While there are other features of the Carnival which are interesting, the arrival of the King and Queen by barge on the Mississippi River is one of the most beautiful spectacles presented in this country and abroad. It is anticipated that at least 200,000 people will witness this event. For those members of the Research Societies who remain over for this event, we will arrange for reserved seats which can be picked up at the Registration Desk on your arrival in this city.

We trust you will advise us if you expect to attend the meeting, and we sincerely hope that your various sessions in this city will be both enjoyable and profitable.

Cordially yours,


R. E. Logsdon
Director

REL:km

Bornie Hill
Mrs. Bornie Hill

Fairhope,
2/27/37

Mr. E. B. Gaston:-

Please send Single Tax literature to following address:-

Mr. Joseph Arnish
3637 W. 55th St. ce,
Chicago, Illinois.

He asked for any kind of descriptive literature.

Mrs. Nottelmann. Sec.
Fairhope Chamber of Commerce

Sent Literature March 2nd., 1937

The Single Tax, as expounded by Henry George, provides both a solution for the problems of taxation found so difficult by all governmental bodies and for a solution as well of our troublesome economic difficulties so acute at the present time.

The problem of taxation is difficult, mainly because of inequalities in the distribution of the burden. The Single Taxer by collecting from each citizen or corporation the rental value attached to the land held by such citizen or corporation and used by him in his economic or social life, would thus take from each the social contribution that he individually enjoys. This tax could not exceed or be less than the proper share of the tax payer, it would appear evident.

If this were done, the Single Taxer believes that it would not be necessary to place any tax whatever on the individual's use of the natural resources. If he used it intelligently, efficiently and economically in the production of wealth the reward would and should be his. If on the contrary he neglected his opportunities it would afford him no excuse to be relieved of any part of his share in the social cost of government. All would thus share government expenses in proportion, as they enjoyed the privilege of being benefitted by government (social) institutions.

This plan of taxation would also go far toward a solution of our economic problems by opening up for use our vast unused natural resources, essential to the production of wealth and the satisfaction of human needs and desires. If the owners of land (natural resources) were obliged to pay to society (government) the rental value of the special privilege such ownership confers upon them nothing would be left for the speculator and only the user would find it profitable to hold title to such natural resources and there would be opportunity for all who cared to and were capable of freeing themselves socially and economically.

The Fairhope Single Tax Corporation is not able to afford its members and lessees the full benefits that it is confident would be derived from a general application of the Single Tax. It is, however, accomplishing some of the major benefits of the plan. Outstanding among these is the fact that any one arriving in Fairhope today can secure any unimproved, unleased lot in the community without payment of purchase price therefor. He can also be assured that his constructive effort in improving his leasehold, generally increasing the wealth of the community and raising the standards of living will not go toward increasing the values of privately owned unused land, retarding the growth of the community and increasing the social burden on the builders of the community. The corporation's policy assures him that all those who possess its lands will have to pay into the common rent fund in exactly the same proportion as he pays whether they use the leaseholds as efficiently as he or whether they put them to any use at all.

In the center of town a lessee whose lot is occupied by a drug store pays no more than a lessee who has a vacant lot on the corner across the street. The Corporation believes that the drug store is an institution of service to the community, should not be penalized but should be encouraged. The lot thus improved makes the community more effective economically and more attractive, the vacant lot detracts both from the social and economic effectiveness of the community and from its general appearance and certainly cannot be rated as an asset and allowed to get off for a lighter charge than the improved leasehold.

The Single Tax, as expounded by Henry George, provides both a solution for the problems of taxation found so difficult by all governmental bodies and for a solution as well of our troublesome economic difficulties so acute at the present time.

The problem of taxation is difficult, mainly because of inequalities in the distribution of the burden. The Single Taxer by collecting from each citizen or corporation the rental value attached to the land held by such citizen or corporation and used by him in his economic or social life, would thus take from each the social contribution that he individually enjoys. This tax could not appear evident.

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HISTORY

Public records show that the Single Taxer colonists were not the first to attempt the location of a community on the lands now occupied by the thriving City of Fairhope. In the mid-eighteen thirties proposal was made to establish here a new city to be called Clifton, which city was to be the sea port of Alabama. As the result of this proposal a joint-stock company, City Company of Alabama, was formed and authorized to sell ten thousand shares of stock for one hundred dollars per share.

The company established boundaries for the new city which extended for more than three miles along the bay shore and embraced more than two and one-half times the present area of the City of Fairhope. A plat was prepared providing for streets, public lands, etc. and the remainder appears to have been subdivided into some twenty thousand lots, one-half of which were to belong to the stockholders, the remainder, alternate lots, were to be offered for sale.

Instead of accepting the proposed name of Clifton, when platted the name adopted is shown to be City of Alabama and later Alabama City. However the names of both Clifton and ~~Alabama~~ New City came to be indented with the location, though Alabama City appears to have been best known. In addition to platting the land into lots and blocks the company was charged with the obligation of "constructing permanent improvements thereon, such as stores, cotton presses and so forth."

The writer does not know how much of such construction was accomplished before the company failed as is evidenced by a sheriff's deed to its assets dated June 24, 1843. However the writer recalls much evidence of wharves and boat slips at and near what is now bay front park at the foot of Oak St. Also at the bay shore end of Pier St. there were the remains of a wharf and a turpentine still (naval stores).

By 1894 when Fairhope's Single Taxer founders came to Baldwin County

only piling showed where the wharves had been and the roads leading to the water front had eroded away and today constitute some of the existing gullies. All that remained of the bold venture was the land somewhat scarred by the gullies that were then as they are today more in the nature of liabilities than assets.

Much less imposing were the beginnings of those who succeeded where the others had failed. Their company, the Fairhope Industrial Association, had less than one thousand dollars in its treasury when its offices were moved from Des Moines, Iowa to Baldwin County. Its first purchase of land constituted some 135 acres composed of two tracts that were separated by a privately owned and partially developed tract about 420 feet wide. located about midway between Magnolia Ave. and Oak St.

Selected as most suitable for initial development was the tract that is now served by Fairhope Ave. and Magnolia Ave. It extended East from the bay to Section St. These two streets together with Bay View and Section St. were the first to be provided. In 1895 Fairhope consisted of five frame houses, all on the south side of Fairhope Ave. The first to be occupied was that built by the writer's parents about mid-way between Section and Church Sts. Shortly thereafter the other four were completed and occupied, one between Church and Summit Sts, two between Summit and Bay View Sts. and one at the top of the bay hill on the site now occupied by Patlyn Apartments.

Thus did the Fairhope of today have its modest beginnings. For a number of years most of those who came to Fairhope came as a result of their interest in its Single Tax Colony. After a substantial community had come into existence on the Colony owned land the community itself came to constitute an attraction to others.

All could not be satisfied with such sites as the Colony had to offer and others did not care to accept the terms on which Colony land could be

had. As a result privately owned adjacent lands such as the Magnolia Beach and Volanta tracts were subdivided and made available for sale. In Magnolia Beach the bay front lots were superior to any in this section and all were quickly sold and many developed almost at once.

Inland the economic advantages offered by the Colony plan caused the major development to take place on its lands. Testifying to this conclusion is the fact that the assessed values in the City in 1953 show the Colony and those who occupy its lands accounting for \$1,288,360.00 of the \$2,119,700.00 total. Colony land constitutes about one-fifth of the area within the City's corporate boundaries. These figures show that though Fairhope now embraces much more than the Single Tax Colony land it is indebted to the Colony not only for its birth, but in large part for its present stature.

Mch. 5, 1945

Miss _____
Loxley, Alabama

Dear Miss _____:

It is a particular pleasure to have an opportunity to tell you of the Fairhope Single Tax Corporation and to furnish you material for your study of our plan. The primary purpose of our corporation is to perform a service to society by accomplishing a demonstration of a public revenue program that will promote rather than hinder industrial development. It is our hope others will be stimulated by our example, hence our pleasure in your enquiry.

The inspiration to establish the community of Fairhope came to its founders as victims of one of the serious economic depressions that have periodically gripped our nation. They had studied Henry George's writings and agreed with him that the cause of these depressions was a lessening of the opportunities for employment. Man cannot obtain purchasing power except he be employed and business depressions result from a reduction in purchasing power. They also agreed with Henry George that the limiting factor in employment is the availability of land, since all employment whether self employment or employment by another is based on access to land.

They also agreed with Henry George that the proper means of insuring that all unused land would continually be available for the productive use of individual or corporate industry was to make it unprofitable to hold such land out of use. While they believed that the Henry George plan must eventually be adopted by government they also realized that such might not be the case in their time and that they might hasten it by setting up a demonstration that would prove the value of the plan. Therefore they established Fairhope and set up the Fairhope Single Tax Corporation to hold title to the land and issue lease contracts to those who wanted land for use.

The rental charges provided for in the lease contracts compel the lessee to use his land or suffer a financial loss. As a community grows its lands must be put to an increasingly productive use and the Fairhope Single Tax Corporation, recognizing that the growth of the community has made the land more valuable increases the rent and the lessee must put his land to the more productive use needed by the growing community or suffer a financial loss.

It is only because Fairhope has had the advantage of being selected as the site of the Fairhope Single Tax Corporation's demonstration that it has become the largest town in the county. Other

towns are more favorably located, have more highly productive agricultural lands, are nearer to markets for their produce, are centers for larger trade areas, have superior transportation facilities, etc. Loxley, for instance, lies in the center of some of Baldwin's most productive lands. It has railroad transportation facilities at hand and is also located on two of the principal motor highway systems of this county. It is as near to Mobile as Fairhope and nearer to Pensacola and the other principal towns of the county including the county seat, Bay Minette. Nor are Fairhope's citizens in any way superior to those of the other towns of the county.

It should not be necessary to organize a single tax corporation to give every other community and section the same advantages we enjoy in Fairhope. All that is needed is a change in the public revenue (taxation) laws of the State of Alabama, making it possible to collect from all who enjoy the privilege of owning land, the market value of that privilege. The privilege of land ownership has no market value except where society is performing services for the benefit of the owner and such a system merely makes it possible for society to collect for services rendered from the individual to whom such service is rendered.

Our present system of ad valorem taxes falls largely on individual investments in buildings and personal property and bears equally on all such without respect to their location. Often those who pay high taxes receive very little service from society, while others are so located that they receive much service but because of the character of their improvements and personal property they are required to pay much less than the value of that service. Justice and the welfare of society demand that this unfair hindrance to the normal progress of society be abolished and that it be replaced by a public revenue system based on the just principle established by the Fairhope Single Tax Corporation.

I am enclosing forms used by our corporation in leasing its lands and other printed material which I hope you will find adequate but should you need anything more please feel free to ask for it. With sincere best wishes for success in your effort I am,

Very truly yours,

C. A. Gaston
Secretary

THE FAIRHOPE SINGLE TAX COLONY

Fairhope began its life as a Baldwin County community in January, 1895, when a small group of people, inspired by the economic theories of Henry George's Progress and Poverty, began to build homes on land they had just purchased here on the eastern shore of Mobile Bay. The land was totally undeveloped and covered by a growth of young pines having no commercial or use value except for fire wood.

Aims and Expectations

The purpose of the colonists was to test the Henry George theories that the public collection of ground rent (the unearned increment of land value) would supply a fund adequate to pay the normal cost of government, and that such public collection of the rent would eliminate the destructive influence of land speculation. They expected the result to be a community where the tendency of government to limit, direct and control individual activities would be reduced to the minimum. Having confidence in the ability and integrity of private enterprise and individual initiative they believed these, freed from the heavy burden of taxation and the artificial restraint of land speculation, would create the superior community they desired.

The land was platted into a town site with a liberal strip along the bay front reserved for public park. The colonists received ninety-nine year lease tenure to such portions as they desired for individual occupancy. The balance was opened to lease on terms identical with those of the original group. The primary condition was the agreement of each lessee to pay into the common treasury, the annual rental value of the land exclusively secured to him by his lease contract.

Rent Defined

The colonists defined rent as the natural endowment value of location, topography and fertility, the common heritage, as well as the location

value resulting from community activities and planning, the common reward. Since individual title secures the holder in the exclusive right to use these values which belong to all, equity demands payment into the common treasury of the full value of such exclusive right.

In the beginning the rent was almost nothing, the maximum purchase price of about six dollars an acre indicating a general absence of the factors that produce rent. There were no streets or sidewalks or public improvements of any character, there were no schools, churches or clubs and no stores, doctors, dentists or lawyers, and contact with the outside world was both difficult and expensive.

Work and Achievement

As soon as the colonists had accomplished their minimum individual requirements for shelter and the clearing of a plot for producing subsistence needs, each on his own leasehold, they gave attention to community needs. They cleared roads and built a wharf so the bay boats could give them more direct contact with the outside. They established a cooperative store before the possibility of profit was sufficient to attract private enterprise, but continued it only so long as that condition existed. They built a school and hired a teacher and developed social, cultural and recreational activities. At the same time each, in accordance with his individual desire, ability and ambition, further improved and developed his own leasehold.

Both collective and individual efforts tended to make the community more attractive to others. More land was leased and the annual rental value of all land increased. This year, the fiftieth of the colony, 1944 rent due the common treasury on 565 active leaseholds within the corporate limits of the Town of Fairhope amounts to \$30,763.65. These leaseholds constitute only part of 327 acres remaining to the colony after giving the municipal government the streets and parks and a site for the

municipal offices and electric and water utilities, desirable town land still being available for lease. The 1944 rent on the colony's some 3500 acres of country land, all under lease, is \$4,072.31, and on the leased portion of some 43 acres, part of a subdivision lying just outside of town but extending inside, the 1944 rent is \$301.14.

Unsound Conclusions

Some think the colony's present size, with not all its land leased after fifty years, reflects on the soundness of the colony's policy. That conclusion might be justified if Fairhope was located in a naturally fertile area, with abundant produce for the support of manufacturing and processing activities, were it the logical location for a transportation and trade center, or if beneath its surface lay valuable deposits of ore, coal or oil.

Such is not the case. The agricultural land adjacent to Fairhope is largely inferior to much of the land in this county and yields only to hard labor abetted by liberal applications of commercial fertilizer. Fairhope is not located even on an important motor transport highway, has no railroad and is more than twenty miles from the nearest main line station. So far as is known there is nothing of value beneath the surface of Fairhope's land other than good water. It is true that Fairhope is located on beautiful Mobile Bay but so are some fifty additional miles of Baldwin County land and almost as many in Mobile County. The principle value of the bay at Fairhope is recreational; its acres will support only an infinitesimal fraction of the productive labor that can be supported on a like area of land.

Valid Comparisons

The Town of Fairhope embraces lands belonging to private owners, more than three times the 327 acres of colony land. More than forty acres of this privately owned land lies within and enjoys all the advantages of the most intensively developed part of the town.

tages of the most intensively developed part of the town. This forty acres and additional privately owned land in the town has a frontage on Mobile Bay three times that of colony land, such ownership, in large part, including the valuable riparian rights which the colony gave to the municipality with the park lands. The Town's 1943 assessment roll shows a total land value assessment of \$327,890.00. It shows the assessed value of all privately owned land to be \$184,780.00, thus more than three-fourths of the land area pays less than eight per cent more in taxes than does the less than one-fourth of colony land.

The colony's lessees are, in the main, ordinary people without any special interest in the colony. Their aim is the satisfaction of their desires with the least effort and expenditure of capital. They are guided only by their personal advantage in choosing between the colony's lease title and the fee simple title. Evidence of the preference for the lease title is found in the \$825,065.00 assessed value of improvements and personal property appearing on the Town's 1943 assessment roll. Only \$163,720.00 of that amount represents improvements and personal property on privately owned land, thus colony lessees have produced on their leased land four times the wealth the private owners have produced on the land to which they hold title.

Advantages

The advantages, evidenced by the choice of the colony's lessees, are greater than were those afforded by the homestead laws. Here, in a steadily growing community, any unused ^{colony} land is available without purchase price, the only requirement being that the lessee pay to the community the rental value of the community advantages exclusively secured to him by his lease title. He is assured that no part of the rent paid by him shall inure to the benefit of any individual, that the first claim on the rent fund shall be the taxes levied by the state, county and municipality on the

land of the colony and on the improvements and personal property of the lessees, and that any remaining after paying colony expenses shall be treated as a trust fund for the equal benefit of all lessees.

Results Prove Theories

Fairhope, though one of the younger towns of this county and less advantageously located than some, has become the largest town in the county, has the most rapid growth and is recognized by all to be the most progressive and most attractive. The apparent effect of the relief colony lessees have from the payment of ad valorem taxes on improvements ~~on improvements~~ and personal property, and the artificial restraint of land speculation, affords only a glimpse of the results that could be achieved if all public revenue was provided by the public collection of rent and the heavy burden of taxation abolished.

Government is the grantor of all land titles and it is proper, just and equitable for it to require the payment of an annual rent, as does the Fairhope colony, as a condition of retention of title. While the effect of such requirement would be to destroy the selling value of land, the concurrent abolition of all taxes would be to so greatly enhance its use value as to benefit all land owners willing to work and use the land.

In these times of alarmingly swollen lists of government personnel, of interest is the fact that, except for an unsalaried council of five meeting twice a month and the occasional service of a surveyor and appraiser, the colony's business is conducted by a full time paid secretary and a part time paid treasurer.