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Contribution and Controversy:
A narrative of philanthropist Joseph Fels's
involvement in the Fairhope Single
Tax Colony - 1897-1910

by

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Henry George's Single Tax and the Fairhope Colony

In the latter years of the nineteenth century many Americans became frustrated with the increasing disparity of wealth that accompanied industrialization. It seemed that as the capital in the coffers of the robber-baron industrialists increased the number of people locked in the oppression and demoralization of poverty increased also. To remedy this economic malaise, many forward-minded citizens proposed alternative systems that they believed would result in a more equitable dispersion of wealth. Henry George was one of the most widely accepted and followed alternative thinkers of the period.

George proposed that the lack of economic equality and opportunity derived from private ownership of land. He argued that as material progress and population advanced land owners raised the price for use of the land. Thus landowners unfairly reaped the financial benefits of community created wealth. Furthermore, wages and interest which were theoretically supposed to keep pace did not in fact match this advance.

George proposed a simple and sweeping solution to the problem of private land monopoly. Following the recognition of the common right to the land and its resources, all taxes would be abolished with the exception of a single tax to be levied on land values. This would ensure that every person who lived on the land, not just the landowner, would have the benefit of its revenues. "I do not propose either to purchase or to confiscate private property in land," George wrote,

Let the individuals who now hold it still retain, if they want, possession of what they are pleased to call their land. . . . We may safely leave them the shell, if we take the kernel. It is not necessary to confiscate land, it is only necessary to confiscate rent. . . . What I, therefore, propose as the simple yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism,

abolish poverty, give remunerative employment to whoever wishes it, afford free scope to human powers, lessen crime, elevate morals and taste and intelligence, purify government and carry civilization to yet nobler heights, is--to appropriate rent by taxation. . . . There is but one way to remove an evil and that is to remove its cause. Poverty deepens as wealth increases, and wages are forced down while productive power grows, because land, which is the source of all wealth and the field of all labor, is monopolized. . . . We must make land common property.¹

In the early 1890's, a small band of dissatisfied Iowans took up the gauntlet thrown down by Henry George. This group of former populists, led by E.B. Gaston, founded an experimental colony on the eastern shore of Mobile Bay in Southern Alabama. The colonists intended to simulate George's single tax doctrine as closely as possible under State and federal laws. They named their utopian endeavor Fairhope. Under the Fairhope constitution, all land belonging to the colony was held in common by the members. The members and non-member lessees occupied desired areas of land upon which they paid an annual rent in the amount of the assessed land value of the property. Out of the rent fund, the colony paid all state and local taxes on the land and improvements (houses, barns, stores, etc.) for the entire colony. What money remained after taxes was allocated to public services such as roads, water supply, and the telephone system.

Gaston and his Single Tax compatriots created the Fairhope Colony as an example to the world of the efficacy of Henry George's economic panacea. The Fairhoppers' goal was to exhibit the advantages of the Single Tax so conclusively that the rest of the country would be converted to Georgist principles. From its inception, the colony sparked both praise and criticism from Single Taxers nationwide and was embroiled in controversy over its

¹Arthur Power Dudden, Joseph Fels and the Single-Tax Movement (Philadelphia: Temple University Press, 1971), p. 31.

practicality as a proving ground for Georgist theory. George never approved of the Fairhope Plan. Though the colony functioned autonomously for the most part, its importance as an example was appreciated by many self-styled outside advisors and benefactors. These well-wishers tried to use their influence to shape Fairhope to meet their vision of what a Single Tax Colony should be. Joseph Fels was the most prominent of these benefactors and his largess made him one of the important figures in Fairhope's history.

Joseph Fels: His Life and Works

Joseph Fels was born on December 16, 1853, in Halifax Court House, Virginia. His parents, Lazarus and Susannah, were middle-class Jewish immigrants who had come from Bavaria in Germany a few years prior to Joe's birth. Lazarus made his living as a peddler of household wares, a profession common for Jewish immigrants at the time, until soon after Joe's birth when he moved the family to Yanceyville, North Carolina. In Yanceyville he took over as owner of the town's leading general store. It was there that Joe spent his formative years.

From early childhood Joe exhibited the individualism and compassion which typified his persona throughout his life. He rebelled against formal schooling and chaffed under the discipline of authority figures. From all accounts, Joe was happiest when involved in money seeking ventures like the kite sales and repair shop he ran out of his basement at the age of fourteen. At fifteen, he was finally allowed to leave school and enter the world of commerce.

From his sixteenth until his twenty-second year, Fels worked as a commission salesman for firms in Baltimore and Philadelphia. By the age of

twenty he had the reputation of being an exemplary salesman but still found the authority of superiors galling. In 1875, Fels gained his independence by acquiring a partnership in Worsley and Co., a manufacturer of fancy toilet soaps, and by late 1876 he had bought Worsley's stake in the company for \$4,000.

For the next eighteen years, he struggled to make Fels and Co. of Philadelphia a success in the highly competitive soap market. As late as 1890, Fels's company was producing 107 different types of soap which had to be carefully packaged and marketed to ensure a small margin of profit. In 1894, Fels discovered a Philadelphia chemist who had invented a way to combine a naphtha solvent with ordinary laundry soap. The product would lift oil and dirt out of clothes like no other soap before it. Fels realized that he had discovered a product that had no competitor in the market and snatched up the rights to the detergent. He named his product Fels-Naptha Soap and through diligent salesmanship soon had it on shelves in stores throughout the country. Within a few years he had discontinued production of all other soaps and by 1895 was independently wealthy.

The success of Fels-Naptha Soap freed Fels to turn his attention to the social issues which deeply concerned him. In the winter of 1889 he and his wife Mary had joined the Society for Ethical Culture in Philadelphia, where they came into contact with a social circle of intellectuals. The Society for Ethical Culture concerned itself with a blend of contemporary idealisms that were aimed at alleviating the poverty and social corruption that the members believed was the result of industrialization. It was here, Mary Fels recalled, that Joe began "to feel the irresistible charm of thinking new thoughts, dreaming new dreams and working toward their realization."² During

²Dudden, Joseph Fels, p. 28.

the early 1890's Fels's philanthropy was in its germinal phase. His wife wrote that,

It was a period in which he was content to mitigate rather than to construct. He helped people constantly. There seemed in him a generous emotion of philanthropy--in the original sense of that word. He gave freely even when his own income was small and needed in the business; and even while, underneath the satisfaction he felt in affording relief, there was an unshaped but imperative desire to destroy the need for giving. His mind was like an intricate mass of loose threads that needed a plan to weave them into a definite design.³

Fels found the plan he was searching for in the Single Tax principles of Henry George. As early as 1891, Fels had been exposed to George's work through the Society for Ethical Culture but he did not immediately latch on to the Single Tax as the one, true remedy for society's ills. Over the next few years, however, Fels became increasingly convinced that if poverty stricken people were allowed access to idle lands they would be able to improve their condition. By March of 1897, he was sufficiently convinced to create the Philadelphia Vacant Lots Cultivation Association, which organized and promoted the use of idle city land for poor citizens to grow food for their families.

The success of the vacant lots cultivation program erased any remaining doubts Fels felt toward the land question. In the summer of 1897, he became fully convinced of the accuracy of George's theory and soon after initiated his earliest contact with Fairhope. From 1897 until his death in 1914, Fels dedicated much of his wealth and the majority of his time to promoting the Single Tax around the world. His early projects were the vacant lots cultivation program and Fairhope, both of which he continued to support through the years. After a move to England in 1901 he became increasingly prominent in the Single Tax movement world wide. In England, Fels devoted much of his

³Dudden, Joseph Fels, pp. 28-29.

energy to promoting the agitation of the land question in Parliament, and he also funded several work farms designed to show that the urban underclass could support themselves if allowed access to the vast expanses of idle land in the British countryside. By 1910 Fels was arguably the leading figure promoting the Single Tax. He toured extensively in Europe and North America to promote the tax and it is estimated that he was contributing upwards of \$100,000 a year to the Single Tax movement.

Fels brought the same entrepreneurial zeal that he had utilized in making Fels-Naptha a by-word in soap manufacturing to his promotion of the Single Tax. He had a single minded dedication to George's theory that never wavered. Of Fels's firm belief in the Single Tax as the only solution to society's problems, Fels's biographer Arthur Dudden writes that "consciously or unconsciously, perhaps, he was seeking to duplicate his discovery and promotion of Fels-Naptha Soap, which at one stroke had assured his business success."⁴ Regardless of his motivations, it is clear that Fels felt passionately enough about humanity to dedicate his life to what he believed was the only remedy for society's ills. In a speech in 1910, Fels expressed his intent clearly,

We cannot get rich under present conditions without robbing somebody. I have done it, you are doing it, and I am still doing it; but I propose to spend the damnable money to wipe out the system by which I made it.⁵

Fels and Fairhope

In September of 1897, Joseph Fels wrote E.B. Gaston to order a subscription to the Fairhope Courier, the news and propaganda organ of the

⁴Dudden, Joseph Fels, p. 145.

⁵Dudden, Joseph Fels, p. 1.

three year old Single Tax Colony. This began a relationship that would last in one form or another until Fels's death in 1914. During the most active years of Fels's involvement with Fairhope, from 1899 to 1910, he contributed to the building of the town library, the telephone system, and two steamers for commercial travel on Mobile Bay. He also donated \$10,000 for support of the local school and gave the colony 2,200 of its approximately 4,000 acres of land.

Fels was responsible for many of the public amenities that Fairhoppers had at their disposal. The phones system, the library, and the school were all contributed in order to make Fairhope an above average Southern community that could prove the superior benefits of the Single Tax system. Fels's contributions improved the colony and made it a more comfortable and gentile place to live. The colony never depended on his gifts for survival, though it would have been a substantially different place without his influence.

Fels's philanthropy was not simply a matter of detached giving. He saw Fairhope as the best effort to prove that George's theory was practical and effective. Though never a resident, he was a member of the colony and did not hesitate to give purposeful advice and pointed criticisms to ensure that Fairhope functioned as he thought a Single Tax Colony should. He was committed to Fairhope and felt that he had a stake in its success. He never used his philanthropic influence to try and dictate colony policy but he was adamant in his opinions on the issues that shaped Fairhope. Fels's correspondence with Gaston, who was Secretary and leader of the colony as well as Editor of the Courier, was prolific. In it can be found Fels's ideas and opinions on practically every issue that faced Fairhope.

Through the years Fels involved himself to some extent in every conflict that arose in Fairhope and was the source of a great deal of controversy

himself. His philanthropy often divided the colony members over doctrinal issues and engendered distrust from non-member lessees. Though his contributions to the colony were beneficial for the most part, some were eventual failures that created conflict and criticism within the community. His influence with Single Taxers throughout the world helped to focus the attention of many on the work being done at Fairhope and brought new members and friends to the colony. Fels was a colorful and intriguing character who added to the complexity of events in Fairhope. In retrospect, he has to be considered one of the most important figures in Fairhope's history because of the important material benefits that he contributed and the advisory role he played in the crucial early years of the colony's development.

In late November of 1897, Fels showed his first signs of interest in helping the colony materially. In a letter to Gaston he wrote.

I am much interested whenever the little Courier reaches me. From a recent description read of your colony, I believe the colony has an option on some contiguous lands; and it occurs to me to ask the business question as to the probability of their being able to take advantage of the option and secure the land. I have a little idle capital seeking investment; and would like to help the thing along.⁶

Fels did not immediately follow through on this early offer, but a year later he contributed \$100 of a \$385 sum needed to purchase a 320 acre tract of land upon which the colony had an option. In return, he took a \$100 paid up membership in the Fairhope Industrial Association.

A few months later the Courier ran an appeal for a patron to support the construction of a library and a telephone service. Fels responded favorably and showed a deepening interest in the colony.

I am in receipt of the last copy of the Courier, and am very much interested in the appeal you make re a library building, as also for

⁶Fairhope Courier, December 1, 1897.

some monied man to advance the money for a telephone service. . . . It is my intention to come down and see you or have my brother do so late next fall.⁷

Gaston made the mistakes of enthusiastically printing Fels's proposal in the next edition of the Courier. Fels responded with condemnation,

I regret that you find it necessary to air your proposition and the correspondence in connection therewith in the Courier. I am not looking for notoriety of this kind. Such things can be given as news if thought advisable, but there is absolutely no necessity for mentioning names until something has been accomplished.⁸

The response was indicative of Fels's general attitude toward praise in the paper. He was averse to any kind of public thanks for his contributions and thus there was little public mention of his philanthropy through the years.

In December of 1899, Fels made his first visit to Fairhope and his interest deepened into commitment. Besides giving final approval for the library and the telephone system, he and the colony leaders began discussing plans for future projects. In the next few years the largest project Fels contributed to was the building of the Steamer Fairhope. Beginning in the summer of 1900, plans were laid for the construction of a boat to provide commercial travel between Fairhope and Mobile as a public service for Fairhope residents. The financing of the boat was backed primarily by Fels, who contributed \$2,200 to its construction. When the boat was finally launched in June of 1901, the Courier ecstatically asked, "Was it not appropriate that the boat should slide down the ways on Fels-Naphtha Soap, with a Fels-Naphtha wrapper on her bow?"⁹

⁷Joseph Fels to E.B. Gaston, No Date. Fairhope Single Tax Colony Archives.

⁸J. Fels to E.B. Gaston, No Date. F.S.T.C. Archives.

⁹Courier, July 1, 1901.

The next major venture Fels supported was the creation of the Fairhope Improvement Company in 1904. Under the management of R.F. Powell, the man who had run the Philadelphia vacant lots program, the company was founded to build cottages for rent or sale on vacant Fairhope lands. The company also completed improvements on existing structures at a nominal price to owners. In later years the F.I.C. financed and managed the second Steamer Fairhope and lent money to colonists to finance improvements. The company was chartered as a munificent business with Fels by far its largest stockholder. In early years the F.I.C. did valuable work in the community, but by 1908 mismanagement had transformed it into a major frustration to Fels and a source of discord among the residents.

Fels's largest and most important gift came in April of 1906 when he donated 2,200 acres of land to the colony. The gift more than doubled the area of Fairhope and assured that the colony would have enough land to accommodate its needs into the foreseeable future. The above mentioned projects and donations represent the bulk of Fels's contributions to Fairhope up until 1908 although he helped in various other small ways when he saw need.

Fels's assistance was not accepted with thanks by all of the members of the Fairhope association. A substantial number of the members saw Fels's contributions as a breach of the Georgist principle that all public improvements, utilities, and land acquisitions should be paid for out of land rents. Led by Dr. James Bellangee, these strict doctrinalists believed that Fels's philanthropy undermined the colonies primary purpose--the exemplification of the Single Tax. The majority group led by Gaston and backed by Fels realized that acceptance of outside assistance was a compromise of Single Tax principles but was willing to overlook the doctrinal breach in order to make Fairhope more

attractive to prospective colonists.

In a letter he wrote to Gaston in 1906 after donating \$1,000 to the library fund Fels clearly shows that he understood that his gifts constituted "cheating" on the Single Tax:

Regarding the money I subscribed towards the library, Powell tells me that it is the intention of the colony to ultimately turn that money into the land fund, so that all such things will have been paid for out of land rentals, as it is a public improvement, so it can then be said that gifts have not produced prosperity. Suits me exactly.¹⁰

It was largely Fels's sensitivity to the fact that his philanthropy compromised Fairhope's Single Tax ideal which led to his insistence that his name be kept out of the Courier. Fels viewed the Courier as the propaganda piece of Fairhope and he did not want it advertising contradictions to Georgist principles by expanding on his gifts to the colony. When Gaston printed a long article in the Courier thanking Fels for his contribution of the 2,200 acres to the colony, Fels sent a scathing response.

I have asked you . . . and about everybody else there that does any writing for any paper to stop referring to me altogether in connection with land matters, gifts or anything else, except perhaps where I may be furnishing information of public interest. It seems that none of you appreciate my modest request, as I am continually being lugged in by the heels either in the "Courier" or some other paper. . . . I resent your several recent articles together with the resolution of thanks; and none of you have my thanks for anything in connection therewith. The very mention of my name in your paper in connection with the purchase of land would do the Colony harm, and prevent future lots of land being bought under right conditions, and, as a mature individual, you ought to know this as well as I. I am as mad about the whole thing as a hornet, and want you to know it!¹¹

Fels's contributions to Fairhope not only evoked criticism from the doctrinalists within the colony membership, they also engendered distrust among non-member lessees and local opponents of the Fairhope plan who were

¹⁰J. Fels to E.B. Gaston, January 13, 1906. F.S.T.C. Archives.

¹¹J. Fels to E.B. Gaston, May 7, 1906. F.S.T.C. Archives.

critical of the level of democracy in the colony. From 1904 until 1908, a controversy raged in Fairhope over the amount of control colony members had over the assessment of rents and the allocation of funds for public services. The heart of the issue was whether a small group of Single Tax Colony members should have the authority to make decisions controlling colony policy without the input of the many lessees living on colony land who were not members. The conflict became known to Single Taxers nationwide as the "Fairhope Controversy."

Fels entered the fray in January of 1906 when he offered P.A. Parker, a colony opponent, \$500 if he could find anyone who met the requisites of colony membership who had been denied acceptance. Parker sent Fels a signed affidavit claiming that Dr. H.S. Greeno, a resident, had been denied. He also took the opportunity to reiterate his belief that Fairhope policy did not allow equitable representation.

Even if your contention was true that any resident could join by paying one hundred dollars, the grievance of the minority of the membership would still remain, for wise and harmonious government does not depend upon the vote of any individual or set of individuals, but upon the expression of the will of the whole people. . . . I have an abiding faith in democracy, and Fairhope's troubles are but proof that when land values are collected by a government that is not responsive to the will of the people, instead of the Single Tax it is governmental landlordism.¹²

Fels rejected the Greeno affidavit and denied Parker the \$500. In a response to Parker he explained,

Your proof to my mind is no proof at all. Dr. Greeno is not a single tax man nor is he in favor of colony policy. He has always openly and on all occasions opposed the plan. If he signed an application for membership on one of the required forms, and put his name to a declaration that he believed in the principle of Henry George, he openly stultified himself when he talks, works, and feels just the opposite.¹³

¹²P.A. Parker to J. Fels, January 12, 1906. F.S.T.C. Archives.

¹³J. Fels to P.A. parker, January 17, 1906. F.S.T.C. Archives.

The correspondence between Fels and Parker exhibits the central problem of the "Fairhope Controversy." The colony members, who had legal ownership and control of all colony lands and utilities, could not allow the lessees who were predominantly non-Georgist, a part in the administration of the colony without destroying it as a Single Tax object lesson.

Fels's contributions and outside influence further aggravated the situation in Fairhope. The lessees criticized the colony leaders for investing in what they considered unneeded public projects like the phone system and misguided ventures like the steamer. They saw the capital outlays for these projects as the major factor involved in the raising of their land rents. Critics went so far as to say that Fels's philanthropy had hindered rather than helped the condition of residents of Fairhope. In an article in the Daphne Standard, a nearby newspaper, one colony opponent, Alfred J. Wolf, wrote,

I greatly fear, however, that [Fels's] lavish gifts have not borne as good fruit as was intended. His donation of 2,000 acres was certainly ill timed and unnecessary and is actually a burden upon the struggling community. Three-fourths of all the land of the corporation is unoccupied and yields no income, but it does not escape the State and County tax assessor. The occupants of the other fourth pay taxes on this idle land out of their rents and are deprived of public services to that extent. . . . It may be added that not among the least of the evils flowing from Mr. Fels's financial help is that it has encouraged reckless expenditure, weakened self-reliance and placed a premium on municipal pauperism.¹⁴

The lessees considered the rule of the colony membership oligarchical and some were suspicious that Fels was pulling the strings which controlled the colony leadership. In the same Daphne Standard article mentioned above, Wolf speculated that Fairhope was under the rule of an oligarchy of two men, E.B. Gaston and R.F. Powell, both of whom he considered to be under the thumb

¹⁴Daphne Standard, September 13, 1907.

of Fels. Wolf seemed to believe that Gaston had political control of the colony while Powell held its purse strings through the Fairhope Improvement Co. He wrote that Gaston had "been liberally assisted financially, presumably by Mrs. Fels, and is not apt to countenance any measure which he fears his benefactor might not approve." Of Powell he wrote,

Mr. R.F. Powell is the trusted representative of Mr. Joseph Fels in Fairhope, and is president and manager of the Fairhope Improvement Company, in which Mr. Fels is the principle shareholder. This concern built a few cottages at one period, but recently a large part of its business has been to loan money at a generous rate of interest on the improvements of lessees, and it is reported to hold mortgages on a large portion of such property. These liens constitute a perpetual menace to the independence of the borrowers. . . . While not an official of the corporation his [Powell's] intimate relations and influence with Mr. Fels and his position as controller of the one source of loans, lend him authority which, on his personal merit alone, he would scarcely enjoy.¹⁵

How many of the lessees agreed with Wolf's assessment of the mechanisms of colony control is hard to tell, but the fact that it was printed in the Standard shows that Fels's influence on the colony was an issue which added to the complexity of the "Fairhope Controversy."

Early in 1906, Fels made an attempt to bring the attention of national Single Taxers to bear on the situation in Fairhope. He first tried to interest Louis F. Post's single tax journal, The Public, in extending coverage of Fairhope. After purchasing \$1,000 of the Public's preferred stock, Fels wrote managing editor James G. Parsons to ask his reason for "ignoring the claim of Fairhope . . . to all the publicity you can consistently give it in your publication."¹⁶ Parsons responded that The Public was interested in the progress of Fairhope but,

¹⁵Standard, September 13, 1907.

¹⁶J. Fels to G. Parsons, February 16, 1906. F.S.T.C. Archives.

had found, however, by experience, that to publish matter commending Fairhope leads to an insistent demand for the publication of matter attacking the colony, with the result of creating simply an arena of controversy on the matter, to the advantage neither of the paper, nor of Fairhope.¹⁷

Frustrated in his attempt to create a larger forum for the discussion of Fairhope, Fels responded,

It seems to me that this is the very reason for publishing the facts about Fairhope from time to time. The whole thing must, sooner or later, be fought out publicly, if Fairhope is to amount to much as an object-lesson for the country. The main trouble has been that a few soreheads in and near Fairhope, as well as further North, have tried to wreck an experiment they did not take the trouble to understand.¹⁸

During the period in which he was trying to influence The Public, Fels also contacted some of the individual leaders of the Single Tax movement in an attempt to convince them to devote a part of their energies to the promotion of Fairhope. To Daniel Kiefer, a prominent Single Taxer, Fels wrote,

You people ought to help Fairhope. Nobody says a word about it outside of those who have been there. If given the proper publicity, this little experiment will do more to call attention to the subject [the single-tax] than an equal amount spent in any other way.¹⁹

and to Tom L. Johnson, the Single Taxer mayor of Cleveland,

Now as to Fairhope, I have never in the remotest sense suggested that this Colony is going to upset things, and while it may not have appealed to you as a practical illustration of what a single-tax might do, it is a first-class beginning of proof in that direction.

The colony has about 2,000 acres now, it is administered on single tax lines to the fullest extent a small community within a state can be administered under existing laws. . . . All county schools and State taxes are paid by the community out of the land rentals, and the balance is used for road making and public improvements. If free water, free schools . . ., free library, free bath houses, free telephone service, and the best roads of any small community in the South, free wharf for

¹⁷J.G. Parsons to J. Fels, February 8, 1906. F.S.T.C. Archives.

¹⁸J. Fels to J.G. Parsons, February 19, 1906. F.S.T.C. Archives.

¹⁹J. Fels to D. Kiefer, February 16, 1906. F.S.T.C. Archives.

foot passengers and other public utilities, all paid out of land rentals are not what we are after, I would like to know what is!²⁰

Fels's correspondence made new friends for Fairhope. Particularly important were Daniel Keifer and Bolton Hall, both prominent in the national single tax movement. The two corresponded with Gaston regularly through the years and did not hesitate to give helpful advice and support to the colony.

On April 9, 1908, the voters in Fairhope and the surrounding area voted overwhelmingly in favor of incorporating the town of Fairhope. Of the land within the new municipality one-fourth was owned by the colony (The Fairhope Single Tax Corp.) and three-fourths were privately held. The incorporation of the town of Fairhope was the culmination of the "Fairhope Controversy." Municipalization gave the lessees the voice they wanted in local affairs without disturbing the control colony members had over colony lands. The members of the colony went along with municipalization in order to ease the tensions over the lack of democracy that had persisted through the preceding years.

Fels was skeptical of municipalization, but like many others saw it as possibly the only solution to the problems that had threatened to destroy the colony. After the first elections in which Gaston was defeated in the race for Mayor, Fels wrote fatalistically,

I could not bring myself to be sorry that you were defeated at the election for Mayor. When I first saw the announcement of your candidature, I thought it a little immodest, and still think so. . . . Fairhope has long since been too much in the hands of a few men, and that is unhealthy to last a long time.²¹

His apprehension about the effect municipalization would have on the

²⁰F. Fels to L. Johnson, March 30, 1906. F.S.T.C. Archives.

²¹J. Fels to E.B. Gaston, June 24, 1908. F.S.T.C. Archives.

implementation of the Single Tax was evident, though. In a letter of congratulations to H.S. Greeno, the winner of the Mayoral election and the socialist Fels had criticized two years earlier for his lack of dedication to Georgist principles, Fels wrote,

I am aware that you have not been in complete accord with the principles upon which Fairhope has been established; and, while I have never had the opportunity of a quiet talk with you on the subject, I have no doubt that you have been convinced of the worth to the country and the world of the social experiment going on there, and will throw your influence in the direction of the right.²²

Fels' worst fears were realized in Greeno's response. "I have not been and am not now in sympathy with what is known here as the 'Fairhope Plan,'" he wrote,

The whole scheme to my mind and to the mind of any business man is unattainable and can prove of no benefit to the settlers on their lands. . . . I have always believed that you have been honest in what you have done for Fairhope, but I am thoroughly of the opinion that you are laboring under delusions, which if you take the time and pains to investigate and get right down to facts you would see the impracticability of the whole scene.²³

Fels was incensed by Greeno's discourtesy and responded with indignation,

I have made no claim that the whole scheme is attainable because, if it were, then the whole country would have to come in and collect the unearned increment for the whole of the people. . . . You further tell me "you believe I have been honest in what I have done in connection with Fairhope, but are of the opinion that I am laboring under delusions." Thank you for your good opinion of my honesty; but . . . is it your delivered opinion that I, a business man, who have lived nearly 3-score years, and is today the head of one of the largest firms of manufacturers in his line in the world, have been hoodwinked over a term of some 10 years by a few men, who are the lovers of their kind, into spending money to help them to carry out what they, and I, consider a most valuable social experiment? If I am laboring under delusions as you charge me with being, then perhaps you would think such men as Roosevelt, Mr. Bryan, Tolstoy, William Lloyd Garrison, and many others, all more eminent than either you or I, have delusions, since these men are trying to do the same things now which they will

²²J. Fels to H.S. Greeno, June 24, 1908. F.S.T.C. Archives.

²³H.S. Greeno to J. Fels, July 14, 1908. F.S.T.C. Archives.

not succeed in doing and yet consider their duty is in the attempt at doing.²⁴

The correspondence with Greeno convinced Fels of the malintent the town officials felt toward the colony. He began to fear that the municipality would absorb the colony and destroy it as an object lesson. In September of 1908, he advised Gaston to begin considering strategies for dealing with the actions of the town officials. On September 3 he wrote,

Do you not think it a good idea to correspond with Bolton Hall, Keifer, and perhaps (Plegdell) about the best to do and what not to do in dealing with the Town authorities of Fairhope? In a multitude of counselors there may be safety.²⁵

Fels's fears escalated over the next month. He became increasingly concerned that the town would take over the colony owned public facilities and then refuse to administer them along Single Tax lines, to the detriment of the colony. In a letter to Gaston he advised,

What occurs to me now is on the subject of the Corporation transferring any of the franchises to the Town organization without the greatest possible protection, and always with a string tied to it, so that the franchises can be withdrawn if every condition is not carried out to the benefit of the entire colony. You have got too far along now to make mistakes, and even a small one might be fatal as it would establish a precedent.²⁶

Over the years, the fear Fels expressed to Gaston became a reality that more or less destroyed the Fairhope Colony as a Single Tax object lesson. One after another, the colony turned over each franchise it held to the municipality; from the water system to the telephone lines, the wharf, and eventually the bay front park land. At the present time all that is left of the Fairhope Colony is a Single Tax corporation that collects land rents on

²⁴J. Fels to H.S. Greeno, July 31, 1908. F.S.T.C. Archives.

²⁵J. Fels to E.B. Gaston, September 3, 1908. F.S.T.C. Archives.

²⁶J. Fels to E.B. Gaston, October 5, 1908. F.S.T.C. Archives.

its property, without any outlay of funds for public services that would prove the material benefits of the Single Tax. The public service the colony once administered gave it a community identity, but now it is viewed as merely a land holding company.

The municipalization crisis began a slow but steady decline of Fels's interest and involvement in Fairhope which resulted in his disillusionment and detachment from the colony. On New Year's day 1909, he made his last major contribution to the colony when he donated \$5,000 to Marietta Johnson's Organic School with a promise of an additional \$1,000 in each of the next five years. The gift to the colony's progressive school was intended to exhibit Fels's continuing spirit of philanthropy and goodwill despite the criticisms that had been leveled against him in the previous few years; but instead of easing tensions his contribution generated further conflict.

Mrs. Johnson decided that it was in the spirit of the school to offer free education to all local children whether they resided on colony land or not, only charging tuition for children from the north who boarded at the school. Fels took issue with this decision. He believed that free tuition to the Organic School should be a benefit only to those living on colony land, thus increasing the attractiveness of the colony to prospective residents. Soon after his donation he wrote Mrs. Johnson,

I believe you said something about wanting to give those people not living on colony land exactly the same chance to attend the school as members of the colony, living on colony land. I know it is rather a delicate matter, but you will see at once, that to have Fairhope grow and become attractive to outside people, so that they will take up land and so add to the general welfare, we must confine the benefits of the colony as closely as may be to those who contributed to its success. By giving the same advantages to outsiders as to those living in the

colony, we advance the price of land, whereas we want to depress it and make the people see the advantages of the colony.²⁷

Despite Fels's letter and pressure from Gaston to confine the benefits of the school to colony residents, Mrs. Johnson remained determined to open the school to all local children. In a final effort to sway her decision Fels wrote Mrs. Johnson again,

The more I think of the matter, the more certain do I become that the benefits of the Organic School should go to people living on colony land. Indeed, so certain am I now about this that, had I considered it well, I should have made my contributions from the beginning conditional on this being done.²⁸

Fels' pleadings were to no avail. Mrs. Johnson extended the benefits of the school to all local families anyway.

The conflict over the school, added to the existing problems Fels had with Fairhope, began to take a toll on his usually undaunted spirit. As early as October 30 of 1908, Fels had written one colonist,

It is too bad that everybody can't get together and clean up their little squabbles once and for all. From the amount of gossip, back-biting, and rows that go on, one would suppose that none of the population there had ever been in a town but had always lived in back woods and copied the animals in fighting for whatever they want.²⁹

A few months later he wrote Gaston that he was losing his "few remaining hairs because of the infernal squabbles constantly being got into by Powell and other folk there."³⁰ Problems with Powell's management of the Fairhope Improvement Co. and a nagging legal suit involving the burned first steamer Fairhope drained Fels's commitment to the colony further. By 1909 the problems

27J. Fels to M. Johnson, January 13, 1909. F.S.T.C. Archives.

28J. Fels to M. Johnson, March 4, 1909. F.S.T.C. Archives.

29J. Fels to F.L. Brown, October 30, 1908. F.S.T.C. Archives.

30J. Fels to E.B. Gaston, April 22, 1909. F.S.T.C. Archives.

in Fairhope had become nuisance and an embarrassment to Fels.

On November 24, 1905 the first steamer had burned without insurance. A substantial amount of the ship's original construction cost and \$6,000 in dry dock and repairs fees were outstanding at the time of the burning. The colony repudiated the debt. This left the Steamer's creditors with no legal recourse against the colony because the ship was legally owned by the stockholders who had contributed to the Steamer trust. The creditors brought suit against Fels, claiming that it was his substantial subscription to the boat fund and financial influence that had convinced them to extend the credit. Fels expressed early concern over the suit in a letter to Gaston in November 1907.

You will remember there was something said . . . about the creditors of the old boat intending to serve me with notice of suit in the attempt to hold me responsible for the old debt. . . . I do not feel in any way responsible for the trouble, nor do I intend to allow myself to be drawn into it.³¹

Fels was drawn into it as the creditors persisted in their claim against him. By the summer of 1908 he realized that he could not avoid the suit and made plans to try and settle it out of court. In August he wrote Gaston,

I have given a good deal of thought to that miserable suit pending against me at Mobile. If I win it, there will be a certain amount of onus attached to the whole wretched business, and, though I don't rightly owe a penny, I feel that somebody owes it, and that the Boat Building Co. are right in trying to make somebody pay it.³² (Fels to Gaston, 8/22/08)

Fels paid a settlement to the building company without going to court, thinking that he would put the Steamer problems behind him. But his troubles persisted as a \$1500 claim against the Steamer was made in November. Powell

31J. Fels to E.B. Gaston, November 11, 1907. F.S.T.C. Archives.

32J. Fels to E.B. Gaston, August 22, 1908. F.S.T.C. Archives.

wrote Fels that the claim could be settled for twenty percent of the total. An exasperated Fels sent Gaston a check to settle the suit in December. "Before I come down there these claims must be settled," he wrote, "I must not be worried by any more threats of law suits." In reference to a planned visit, he closed sourly, "I am not so much interested in your New Year's celebration as I am in helping to straighten you out."³³

The boat suits were not the only problems Fels had to deal with during this period. He also received vehement criticism because of the mismanagement of the Fairhope Improvement Company by R.F. Powell. Fels was the principle shareholder in the company and he gave purposeful advice on the choice of projects the company should undertake, but Powell was President and manager of the F.I.C. Fels was in no way responsible for the operations of the company. Unfortunately, Fels's frequent contact with Powell and his previous business relations with him via the Philadelphia vacant lots program led Fairhope residents to believe that Powell was Fels's agent in the community. Powell's actions in the company and the community reflected on Fels because of this.

Powell had an arbitrary and dictatorial personality that put many of the people that dealt with him on their guard. Added to this, he had very little background in business administration. He had been a truck farmer until he became involved in the Philadelphia vacant lots program. Powell's lack of business expertise became increasingly evident to the residents who had dealings with him through the years. His management of the second steamer Fairhope, a commercial ship owned and operated by the F.I.C. after the burning of the first boat, brought his ineptitude into full view. His arbitrary firing of one captain of the vessel provoked the steamer's regular customers to boycott

³³J. Fels to E.B. Gaston, December 14, 1908. F.S.T.C. Archives.

the boat and petition Fels. On another occasion his mismanagement prevented a shipment of fertilizer from arriving on time, thus delaying the planting of valuable crops.

Powell's lack of rapport with many members of the community deeply concerned Fels. In reaction to a critical letter he had received, Fels wrote Gaston in 1907,

I am extremely sorry, and a good deal hurt, and not a little worried, at the attitude of some people down there towards, Mr. Powell, and it is just possible that this attitude may not be without reason from the view of the people themselves.³⁴

A few days later he responded to one of Powell's critics.

I probably have been too insistent with Powell, and that has likely influenced him in taking what may appear to be arbitrary action. I have, however, every confidence in his probity and real public spirit I rather disagree with you, however, at your intimation that Powell knows little about bookkeeping and such like things. . . . I am not now going to condemn the man, with his experience of the back of me, at any rate, until I am myself convinced that he does not understand what he is doing.³⁵

Fels continued to support Powell over the next two years despite growing evidence that his management was inadequate. Constant criticism by colony members and non-members alike, added to various blunders by Powell, finally forced him to resign as President and Manager of the F.I.C. in the spring of 1909. Gaston took over as managing officer in the company but by that time Powell's mismanagement had reduced the F.I.C. to a valueless shell of a company. Gaston sent Fels a statement of the F.I.C.'s assets which shocked and embarrassed him. In response, he wrote,

Regarding the statement of the Improvement Co.'s property and condition which you sent me, the whole thing looks pretty rotten. It looks very much as if the only thing you had on hand worth anything was the cash

³⁴J. Fels to E.B. Gaston, September 30, 1907. F.S.T.C. Archives.

³⁵J. Fels to P.Y. Allbright, October 2, 1907. F.S.T.C. Archives.

in bank on January 31st of \$5.14. I am ashamed of the whole damned thing and everybody that had anything to do with it. . . . I am too infernally mad to say more.³⁶

The boat suits and the failure of the Fairhope Improvement Co. embarrassed and disillusioned Fels. Both the steamer and the F.I.C. were munificent efforts intended to improve Fairhope's ability to impress outsiders as a progressive community founded on the Single Tax. Fels expected no recompense for these contributions, but he certainly never expected the criticism, conflict, and financial drain that he received in return for his generosity. His failures convinced him that it was detrimental to the colony and himself to dedicate any more money to the promotion of Fairhope. When a group of dairymen contacted Fels with hopes of getting him to invest the capital to start their business, Fels answered,

My efforts have been to help the Colony in the way of getting land-- they must do the rest. . . . Everything that I have done, in the direction of investing capital there . . . has been most disastrous, and I have got the reputation, among some people, of being nothing but a "moneybags," and some even imagine that I may swallow up the place. I am going to guard against this kind of reputation in the future, and will keep my hands off any further investment.³⁷

By the end of 1909 Fels had ended his contact with Fairhope. His decision to discontinue active support of the colony was largely a response to the aggravation of the boat suit and the improvement company failure, but the municipalization crisis also played a part in his disillusionment. Fels was not the type of man to surrender in the face of adversities, but municipalization left him with little to fight for. Mayor Greeno and the socialist town officials undermined the Single Tax in Fairhope by levying an

³⁶J. Fels to E.B. Gaston, May 25, 1909. F.S.T.C. Archives.

³⁷J. Fels to Messrs. Van Bavel and Koopman, July 9, 1909. F.S.T.C. Archives

annual tax of four dollars on each male inhabitant between the ages of eighteen and forty-five. The tax was in direct contravention to Georgist principles. The colony had also begun turning over its public franchises to the town government. Fels wrote Greeno that he had "never believed in the necessity for a municipality such as had been formed there" but he had "never raised any objection because the people down there should run their own affairs."³⁸ Fels could see that municipalization had corrupted and undermined Fairhope as an object lesson. It was Fairhope's value as an object lesson that he had promoted and invested in through the years. With that value diminished there was little reason for him to continue making sacrifices that were not appreciated by the community.

Fels's commitment to other projects designed to promote the single tax also pulled him away from Fairhope. In the years from 1901 to 1909 Fels's stature in the Single Tax community world wide increased immensely. By 1909 he was promoting the single tax financially and through speaking tours in the United States, Canada, England, Denmark, and other European countries. Fels was probably the most prominent figure in the Single Tax movement. With so much of his energy and resources dedicated to larger projects Fairhope became expendable. He expressed his situation in a letter to a Fairhope resident in March of 1909. "Within the last six months I have pledged large sums of money towards the promotion of the Single Tax in . . . several . . . countries," he wrote, "This will probably run to \$250,000 . . . I feel I must stop and breathe for the time being."³⁹

³⁸J. Fels to H.S. Greeno, No Date. F.S.T.C. Archives.

³⁹J. Fels to J.W. Ettel, March 31, 1909. F.S.T.C. Archives.

Ultimately, Fels simply outgrew Fairhope. The little colony which had been the center of his early promotion of the Single Tax became a canker on his larger efforts at the end of the decade. Every cent of his available funds and all of his time was needed to further his work on a global scale. Fairhope's problems became an unneeded drain that had to be eliminated. Despite his disillusionment and detachment from the colony, he never lost faith in the basic ideals of the Fairhope Plan. In a letter a few months before his death in February of 1914, Fels wrote Gaston,

I want to disabuse your mind of the impression I fear you have, that I am in any way opposed to your plans at Fairhope. NOT SO. After many years of pretty close devotion and the spending of a good many thousand dollars to help the colony on its firm feet, I became of the opinion that I could spend the money for the Single Tax more effectually in other directions. I have just as warm feelings for you personally and all those cooperating with you as I ever had.⁴⁰

Though Fels's involvement in Fairhope came to a rather melancholy end in 1909, the decade of active support that he dedicated to the colony left lasting monuments to his steadfast belief in the Fairhope Plan. The library, the phone system, the waterworks, and the Organic School all existed in large part because of Fels's commitment to proving the viability of the Single Tax. Despite accusations that he manipulated colony leaders, there is no evidence that he used his philanthropy as leverage to dictate colony policy. Existing records only show his deep and abiding concern that Fairhope be administered along Single Tax lines. He had an almost religious faith that the Single Tax could be the means of salvation for humanity if only people's hearts and minds could be convinced of its benefits. For ten years Fels believed that Fairhope was the best effort being made to convert the masses, until municipalizations undermined the Single Tax and petty quarrels drained his determination. Despite

⁴⁰Courier, March 13, 1914.

the stormy controversies he often provoked Fairhope was better off because of Fels. The projects he funded helped to give purpose and identity to the community. The early phone system, the library and the Organic School all made Fairhope unique and impressive. The colony certainly would have survived without the influence of the fiery, five-foot two inch soap maker but its scope would have been narrower, its example less bright.

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