

SINGLE TAX ENCLAVES

We use the word enclave to mean an area of land where the economic rent is collected under the terms of leaseholds and used to pay certain of the taxes levied by the town, county, State or nation.

An enclave may, or may not, be a colony, depending upon whether its characteristic note is attracting settlers or extension of territory, the bringing of the people to the land or of the land to the people. The first class, which can properly be spoken of as colonies, is represented by Fairhope in Alabama, Arden in Delaware, and Free Acres in New Jersey; the second class by Tahanto in Massachusetts, while Halidon in Maine represents a compromise between the two, for, while in theory it is like Tahanto, its growth has consisted more largely in accessions of colonists than in accessions of land.

All the enclaves are indetical in the principle of taking the economic rent and using it for the payment of taxes; in all of them, therefore, improvements are exempt; thus, in essence, the Single Tax prevails; but, on the other hand, in no one of them has there been any attempt to pay either the customs or the excise or the national income tax, or to atone to enclavians for the artificial increment in the prices of domestic goods due to the "protective" policy. Thus, to a substantial degree, the plan, as so far exemplified, fails to realize the splendid conception of Henry George, of a Single Tax on the value of land, involving freedom of trade with foreign countries and freedom from interferences at home. But it is much to untax improvements, and, thereby, to untax local industry.

The vitality of the enclaves is to be noted. All of the numerous socialistic communities of America, with the exception of Amana, are either dead or dying, while each of the Single Taxing communities has grown in vigor with the successive years. It is natural, at the beginning, that many Single Taxers should have

been doubtful about the prospects. The judgment even of Henry George himself, when consulted about Fairhope, was unfavorable. He held it was not advisable to risk the reputation of the Single Tax on the success of a pioneering experiment in land, which might fail for practical reasons entirely unconnected with the principle, and the project also seemed to him more akin to the nationalization of land than to the Single Tax, which he advocated.

Time has invalidated at least the first of his objections. The following figures for recent years, showing a growth of 100% in the last four years, will be deemed satisfactory, when it is remembered that the speculative fever, which often makes Western towns grow so rapidly, is absent. The figures for net rent are obtained by subtracting from the gross rent the amounts paid out for taxes, interest and amortization of debt incurred in the purchase of land.

FIVE ENCLAVES—FAIRHOPE, ARDEN, TAHANTO, FREE ACRES, HALIDON

YEAR	GROSS RENT	Per Cent. of Increase	NET RENT*	Per Cent. of Increase or Decrease
1911	\$5,109		\$2,831	
1912	6,447	26	3,251	15
1913	8,275	28	3,544	9
1914	8,933	9	3,959	12
1915	10,393	14	3,032	-24
1916	12,881	24	5,136	69
Average Increase		20%		16%

* Gross rent minus taxes and payments on purchase of land.

Various opinions are held as to the value of enclaves for the purpose of propaganda, some holding that they are too limited to be effective, but this point needs no discussion here. It is enough for the justification of enclaves that they demonstrate the practicality of the Single Tax, that they give opportunities not to be found elsewhere, for their inhabitants, and that they furnish much-needed laboratories where minor, but still very important points, upon which all Single Taxers are not yet agreed, can be determined by experience. Some of these points are: Shall

railroads be publicly owned or operated? Shall the distribution of water, gas, and electricity be communal or private? How nearly is it practicable to take the whole economic rent? Shall a forest be called a site-value or an improvement? Can the increment in rent due to private water-works be collected as a proper part of the economic rent? After collecting the economic rent and paying the ordinary expenses, can the remainder, if any, be devoted to any purpose whatever, or how shall expenses that are properly governmental be defined?

FAIRHOPE

Fairhope is the name both of a municipality, in Baldwin county, Alabama, and of a corporation. The town, founded in 1907, covers about 1,100 acres, 40% of which belongs to the corporation. It has a population of 590, of which about 70% lives on the corporate land. The land of the Fairhope Single Tax Corporation comprises 3,900 acres (of which 2,200 was the gift of Mr. Joseph Fels) with a population of about 650. It was incorporated on August 9, 1904, under the laws of Alabama, taking over the obligations and the land—about 140 acres—of the Fairhope Industrial Association. The Industrial Association was incorporated in Des Moines, Iowa, in the Spring of 1894. The seven charter members of the Association were James Belangee, Ernest B. Gaston, S. S. Mann, I. R. Clements, J. P. Hunnell, L. B. Land, and Alfred Wooster, Clements being elected president and Gaston secretary. Mr. Gaston, under the association and later under the corporation (with the exception of two years) has served continuously ever since. The following statement of principles was announced:

“ The only plan of co-operative colonization ever proposed, which secures the benefits of co-operation and yet preserves the perfect freedom of the individuals.

“ Its purpose is to establish and maintain a model community or colony free from all forms of private monopoly and to secure for its members therein equality of opportunity and the full reward of individual effort and the benefits of co-operation in matters of general concern.

“ The law of equal freedom is the cornerstone of its plan; that

'everyone has freedom to do as he wills, provided he infringes not the equal freedom of any other.'

"In government, the law is applied by personal instead of stock vote; with no distinction of sex; and the initiative and referendum.

"In land-holding and use, by the principles of the Single-Tax, the association holding the title to all lands and leasing to individuals in quantities to suit at a rental 'which shall equalize the varying advantages of location and natural qualities of all tracts.'

"In medium of exchange by the issuance of its non-interest bearing notes for services and products, redeemable in services, products and land rents.

"In commerce by association stores, selling goods to members and non-members alike, and dividing the profits quarterly among members in proportion to their purchases and by acting as agent for its members in the sale of their products, charging only cost of service rendered.

"In natural monopolies, supplying water, light, power, telephones, transportation, etc., by association control and operation at cost.

"Participation in all co-operative features is purely voluntary, all being at perfect liberty to buy or sell where they please, to use the association's medium of exchange or let it alone as they please. In short, to be the absolute directors of their own actions—limited only by the law of equal freedom, before enunciated. . . ."

It is significant how, in the lapse of years, the socialistic features have either sunk into insignificance or disappeared altogether. The Fairhope Exchange, organized to facilitate the exchange of products and services, both locally and with similar associations elsewhere, to acquire machinery and to operate industries, died after a brief struggle. The so-called co-operative store also suffered the fate of the unfit. The steamer, which plied to Mobile, 16 miles, was burned at the wharf. The wharf itself was demolished in a great storm in 1906, which at the same time blew down a large public hall, and, for the sake of getting the wharf reconstructed, it was turned over to a private association.

There remain the water-works, which it is expected will soon be turned over to the municipality, and the telephone system, which is also owned and operated by the corporation, except that the instruments themselves are owned by the users.

The wharf was originally built by funds obtained by issuing

scrip, and the short-lived exchange had scrip as a part of its resources, but all that remains today is an unimportant element, scrip issued to anticipate the receipt of rents.

The Constitution of the Fairhope Single Tax Corporation provides: "The purpose of said corporation is to demonstrate the beneficence, utility and practicability of the Single Tax theory with the hope of its general adoption by the governments in the future, in the meantime securing for ourselves and our children and associates the benefits to be enjoyed from its application as fully as existing laws will permit, and to that end to conduct a model community free from all forms of special privilege, securing to its members therein equality of opportunity, and the full reward of individual efforts and the benefits of co-operation in matters of general concern, holding all land in the name of the corporation and paying all taxes on the same and improvements and other personal property of lessees thereon (moneys and credit excepted), charging the lessees the fair rental value."

It is to be observed that, in the leases, the corporation agrees to pay only the taxes levied by the county and the State, whereas it has, since the foundation of the municipality paid, in addition, the taxes levied by the municipal authorities.

There has been much contention, as is natural, on the fixing of rents, which has been greatly reduced by the introduction of the Somers System of valuation, beginning with 1914. But the Somers System concerns itself with relative values, and there appears good reason to believe that the standard adopted, which turns mainly on a comparison with values outside the enclave, is considerably below the economic rent. Nevertheless, although this means that a lease can often be sold for a bonus, yet speculation is fairly extinguished.

The form of government is somewhat oligarchical, and has been much complained of by dissatisfied lessees, for only those can be members of the corporation who own stock and have paid \$100 for membership, and only members can vote. Few being willing to pay so high a price for a vote, the result is that the great majority have no vote, there being 266 lessees and only 84 members. Moreover, even if a man owns a share of stock and is willing to

pay \$100, he can still be debarred from membership, for his admission depends on favorable action by the authorities, who maintain and act upon their right to exclude anyone who in their opinion is not in sympathy with the plan and purposes of the organization.

In 1915 was begun a suit for the dissolution of the corporation, in which the double claim was made that the law under which the corporation was formed was void under the Constitution of Alabama and of the United States, and also that Fairhope did not fulfil the law and did not exemplify the Single Tax. The Supreme Court, on appeal by the corporation, unanimously rejected these claims, and declared Fairhope to be "a corporation *de-jure*." It said: "There is, as we understand it, a marked kinship between the Single Tax system as proposed by Henry George and what this corporation may do and appears to be doing under the warrant of its incorporation." (November Term, 1914-15, I Div. 870 Fairhope Single Tax Corporation vs. A. J. Melville). Thus a cloud that for years had hung over Fairhope, and, indeed, had markedly affected the receipt of rents in 1914, was lifted.

The activities of Fairhope as a resort are varied. Since the thermometer never ranges above 97° and practically never under 20°, and the bathing, fishing, and yachting are good, it is frequented both in winter and in summer, and has inns both numerous and good. Among other things it raises corn, oats, upland rice, sugar cane, velvet beans, peanuts, Satsuma oranges, kumquats, grape-fruit, sand-pears, pecans, and figs. Mrs. Anne B. Call, daughter of the late Prof. Bellangee, one of the founders, sells delicious confections of figs and kumquats. There are several stores, a creamery, and an ice plant. Finally, the *Courier* serves to inform the community and those outside of its progress.

Fairhope, while prettily situated on the Bay of Mobile, is flat and uninteresting as one goes inland. It also offers a soil so poor that it has been a surprise how the colony could prosper and obtain a population which is numerically second only to Bay Minette, the county seat, while in the quality of its citizenship, of its library (given originally by Mrs. Marie Howland), and of its private school (founded and conducted by Mrs. Marietta Johnson,

and widely and favorably known as the Organic School), it stands first in the county. Add to this the unique feature that no case of felony in the courts has ever originated in Fairhope, that, though no law or regulation prohibits a saloon, none exists, and a catalogue of excellences is completed, which it is difficult even for cold spectators not to refer, in substantial degree, to the main-spring of the Single Tax.

The officers of the Colony: Mrs. S. H. Cummings, President of Council; E. B. Gaston, Secy., and J. S. Paton, Treas.

The following table shows the recent growth of the rent of the land of Fairhope, but it is to be regretted that complete figures are not available for the full real estate to show the growth from the humble beginnings, when the first 150 acres were purchased for \$771, to the present day, when the value is estimated by the corporation at a million dollars:

YEAR	GROSS RENT	Per Cent. of Increase or Decrease	NET RENT	Per Cent. of Increase or Decrease
1904	\$1,520		\$1,128	
1905	2,255	49	1,350	16
1906	2,172	-3	1,230	-8
1907	3,027	39	1,467	11
1908	3,195	6	1,481	1
1909	3,500	12	1,277	-13
1910	3,907	11	1,908	49
1911	4,457	14	1,593	-21
1912	5,665	27	1,946	22
1913	5,890	3	2,479	28
1914	5,992	2	1,438	-41
1915	7,064	18	2,631	83
Average increase		16%		12%

ARDEN

Of the five enclaves the second in importance and age is Arden, in Delaware, six miles north of Wilmington and twenty miles south of Philadelphia. It was formed in 1900, when William Price and Frank Stephens bought 162 acres of land, half encircled by a beautiful, rocky creek, a mile from the station of the Baltimore and Ohio R. R. now called Harvey (Arden), for \$9,000,

of which \$6,500 was paid by a mortgage which subsequently was taken up by Joseph Fels. The \$2,500 was considered by Price and Stephens as representing the value of the buildings, which they retained privately, leaving the value of the land under the trust as \$6,500. The mortgage was made to apply to only 70 acres—the woodland—out of the 162, leaving all the part now built upon free from incumbrance. The trustees appointed were Frank Martin, William Price and Frank Stephens.

“For the first five years,” to quote from the booklet of Arden, “the reward won by the pioneers was very meagre. The community did little more than vegetate and hold its own. But in 1905 the boom began and in 1906 the Inn was established on a firm basis, and homes sprang up in all directions. To this activity the panic of 1907 produced only a temporary set-back. In 1908 the growth of Arden went on apace, and on August 1, 1909, every foot of open ground had a leaseholder, and many applications could not be filled.”

In October, 1915, there were about 130 lease-holders averaging about a half acre apiece, and about 100 dwelling-houses on 120 plots. About 20 acres were under lease, not yet improved, but held for building in the future. The Somers System is applied and rents run from \$20 to \$48 an acre. But it seems evident that rents average too little, for bonuses actually paid for assignment of leases in seven cases range from \$80 to \$450 per acre, and the bonuses asked for on seven other leases range from \$40 to \$150. Mr. Stephens reckons the average bonus at \$150. Needless to say, these bonuses and the twenty acres of land held for future use go to show that the deed of trust, which requires the collection of the “full rental value,” is not being observed. When rents have been going up at the rate of some 10% per annum, it may have been natural to think that this was fast enough, and it is always easier, and hence a temptation, to assess and collect less than the full amount. But the public interest is thereby defrauded, and where, as recently in Arden, a Leaseholders' Protective Association is formed, which promotes the idea of no further increment of rents, it becomes a case of selfishness *versus* public spirit, unless indeed there is a sincere misunderstanding.

The issue has now been squarely joined, and interesting developments may be expected.

The trustees of Arden hold the title to the land and represent the community before the law. They pay all the State and local taxes and the expenses of the trust, and then turn the balance over to the community, which elects three townsmen and seven assessors by the Hare-Spence system, a clerk and an accountant. The money so turned over is to be applied "to such common uses, desired by a majority of the residents, as, in the judgment of the trustees, are properly public, in that they cannot be left to individuals without giving one an advantage over others." The townsmen have authority, subject to the control by the general meetings, and serve until their successors are chosen, the election being always for the full board, the same being true of the assessors. Thus in the part administered by the townsmen, Arden exemplifies a thoroughly representative yet democratic system.

The following claims made in the prospectus seem not excessive:

"Arden Village has a land system recognizing the common right of all to the use of the earth.

"Has a tax system which does not fine labor and thrift or encourage land speculation and monopoly.

"Has a scientific plan of assessment based upon the Somers System, with publication of assessments.

"Has had equal suffrage since its foundation—not only woman suffrage but minor suffrage.

"Is the first community in the United States to elect officers by Proportional Representation.

"Is the first community in the United States to establish the Raiffeisen banking system, based on character, not 'collateral.'

"Has never issued bonds, granted an exclusive privilege, or had a public debt, except for a part of the original purchase price of the land.

"Acts on a definitely stated principle as to the functions of government and the rights of individuals, that the government should do nothing which an individual can do without the power of government."

The village has an organic school, conducted by Mrs. Cora Potter on the model of the school at Fairhope; and a club, divided

into ten guilds, representing the activities of the village, in which Esperanto, music, camp-fires, lectures, Shakespearean plays in the open-air theatre, pageants, and athletics are prominent, while for occupations, growing mushrooms, making leaded glass, furniture, articles of gold and silver and iron are specialties. In artistic quality everywhere visible Arden, under the inspiration of Price and the two Stephens, father and son, has attained a special charm to which few are insensible.

Arden has been supplied for about two years with private water-works, barely the expenses have been paid and there is no exclusive franchise.

Arden is preponderantly residential, and an enclave where four-fifths of the people make their living outside bears too strong an impress of the outer world to be thoroughly characteristic of the Single Tax.

The officers of Arden are: Trustees: William L. Price, Katherine F. Ross, and Frank Stephens. Townsmen: Frank B. Downs, Harry Hoeffler and Robert P. Woolery. Clerk, Cora L. Potter. Accountant, Earl Broadbent.

The following figures show the recent growth of Arden; the earlier figures are unobtainable. The lowering of the net rent in the last three years is due to the payment each year of \$650 on the mortgage held by Mrs. Fels.

*YEAR	GROSS RENT	Per Cent. of Increase	NET RENT	Per Cent. of Increase or Decrease
1911	\$908		\$703	
1912	1,632	80	1,331	83
1913	1,834	12	852	-50
1914	1,933	5	862	1
1915	2,213	15	1,061	23
1916	2,561	16	1,509	42
Average Increase		26%		20%

*Fiscal year ends March 31.

TAHANTO

The Single Tax principle was introduced into Massachusetts on June 9, 1909, by the lease of two lots of land in Harvard by the

owner to Ellen Mongovin for the economic rent. To the two lots were added others until on April 15, 1912, the land in Harvard under the Single Tax stood at 166 acres, with rent of \$575 from eight tenants. The land was then made over to Lewis Jerome Johnson, William L. Price and Fiske Warren, as trustees of the enclave of Tahanto.

In system Tahanto much resembles Arden, but hitherto the trustees have had the whole responsibility, the deed of trust providing that the community cannot be organized until there are ten lessees signing the constitution. In October, 1915, there were still only nine. In the following points, among others, Tahanto differs from Arden: The trustees have power to acquire additional land and to pay for it by an obligation constituting a charge upon the rent of the piece acquired or upon the general rent of the enclave. This provision has been liberally made use of, hence the rapid growth in area, but hence also the small net rent. The usual agreement is to pay in instalments during 100 years. Arden pays the taxes on improvements direct. Tahanto, like Fairhope, pays in the form of a refund to the lessees. Tahanto has a provision, not yet put to use, under which, upon approval of the community, the payment of rent of land under forests can be suspended until the wood is cut, intending thus to make forestry practicable by the man of ordinary means.

Tahanto is on the shore of a lake of some 500 acres, and has an altitude varying from 320 to 600 feet. About one-half of the lessees use it only for residence, usually in the summer, while the other half make their livelihood on the premises.

The land of Tahanto is all under lease, but no increment of rent has yet been made, the trustees preferring to leave this matter to the representative board to be elected as soon as the enclave shall be organized. At present rents range from \$2.00 to \$30 per acre.

Tahanto's chief crop is apples, but the experiment is too young for much to be said of its achievements. The prospects are fair, and it has the advantage of a strong contingent from Harvard University among its residents.

Officers: Trustees, Phillips Mason, William L. Price and Fiske Warren.

The following table shows the growth of Tahanto:

* YEAR	TOTAL ACRES	TOTAL HOUSES	GROSS RENT	Per Cent. of Increase	NET RENT	Per Cent. of Increase or Decrease
1909	1	1	\$ 10		\$ 4	
1910	5	3	66	560	33	725
1911	15	5	152	130	106	221
1912	15	6	180	18	180	70
1913	166	9	633	252	633	252
1914	490	12	753	36	385	-39
1915	514	13	1,737	130	321	-16
1916		14	2,553	47	741	57
Average Increase				168%		181%

*Fiscal year ends March 31.

HALIDON

The land of Halidon comprises 165 acres, of which 120 served as the foundation for the Trust of Halidon, which was formed July 18, 1911, while 45 were added Oct. 24, 1913. The western boundary lies within a mile of the paper factory, post office, railway, and trolley of the village called Cumberland Mills, in the City of Westbrook, while the eastern lies within about the same distance from the trolley at Riverton, in the district of Portland called Deering, five miles from the heart of the city.

Halidon consists of a low plateau, sixty feet above the Presumpscot River.

The original trustees were William Price, Frank Stephens and Fiske Warren. The system resembles Tahanto and, numerous persons being interested at the beginning, through the efforts of Miss Lillian Quinby, plots were freely taken even by those not intending to build, and Halidon was enabled to organize itself as a community in the autumn of 1912. The three members of the governing council, called representers, were elected by the Hare-Spence system of proportional representation, which has been in use ever since, each election being for the whole board. Both sexes, down to 15 years of age, have the ballot, Halidon differing in this respect from Arden, where there is no limit of

age. The council has the right to appoint the village clerk, the treasurer (subject to confirmation by the meeting), and any other officers. All its acts are reviewable by the village-meeting, which can also elect a new council whenever it desires.

The community, which consists chiefly of persons in the paper mill of S. D. Warren & Co., is still small, only ten acres being under lease, but the growth is satisfactory and the prospects are good. Hitherto it has raised little or nothing for the market, agriculture being pursued as subsidiary to each household. The rents range from \$6.00 to \$13.00 an acre.

In two respects Arden is less democratic than Tahanto and Halidon. To amend the deed of trust Arden needs the consent of every lessee; in the others, a majority of members. To confirm the appointment of a new trustee, nominated by the remaining board, there is needed in Arden the consent of a majority of the residents; in the others, a majority of those members present at a meeting.

A feature much more marked in Halidon than in the other enclaves is the number of persons showing their good will by taking lots which they do not intend to develop; by attending the monthly meetings; and even by systematic and helpful work. Undeveloped lots number fifteen against twelve developed, and there is no reason to suppose that any one of them is held for speculation.

Officers—Trustees: William L. Price, Lois Warren Shaw and Fiske Warren. Council: William Banks, Marion Weston Cottle and Edward E. Keedy. Clerk, George H. Chapman. Treasurer, Edward E. Keedy.

The following table shows the growth of Halidon:

* YEAR	TOTAL ACRES	TOTAL HOUSES	GROSS RENT	Per Cent. of Increase or Decrease	NET RENT	Per Cent. of Increase or Decrease
1912	117	4	\$ 43		\$ 42	
1913	117	7	36	-19	36	-19
1914	172	9	203	464	128	255
1915	172	10	285	41	115	-10
1916	172	11	333	14	74	-36
Average Increase				125%		48%

*Fiscal year ends March 31.

FREE ACRES

Free acres is a Single Tax association of forty families, five miles west of Summit, N. J. Seven years ago it acquired seventy acres of fine, rolling woodland, as well as good agricultural soil, and an old farmhouse now adapted for an inn. This purchase was for a colony of persons, whose aim as set forth in the constitution is "to demonstrate the practicability of the Single Tax system, and give the resident greater personal and economic freedom than is possible under the more conventional forms of government." Mr. Bolton Hall gave these seventy acres to the Free Acres Association, and lots were rented to tenants on the perpetual lease plan; that is, no purchase price is paid by the colonists, only the annual rent of the bare land, fixed by their own elected assessor.

The rent of any plot of land—small or large, as desired by each family—is literally paid to one's self, since all monies, after State and local taxes are paid, are used in making surveys, roads, procuring water and lighting systems and so on, thereby benefiting the whole community, and permitting each person to see just what is done with the money he turns in as land rent. No land is sold, and the present rental is about \$18 an acre annually. Most of the colonists take an acre or less. The rental value of the land, which has increased from year to year as improvements were made, was originally fixed at about \$3.50 for a plot of 10,000 square feet, or four full city lots.

A few of the houses that occupy the lots are built for permanent use, but most of them are summer bungalows. The old farmhouse has been renovated and is used as a clubhouse and for a place in which to give dances and hold recreative and public meetings. Sunday afternoons, in its big living room, a "gemote" is held, attended by the members, when various persons—some of them visitors, others members of the association—give talks on such themes as patriotism, prohibition, temperance, education and the women's movement, which are usually followed by a general discussion. There is a public meeting every month where finances, good roads and the public good are talked over, and reports of the various committees on these questions heard.

For social enjoyment there is a Free Acres Folk's Guild social meeting every week, which brings people together and helps them to understand one another's point of view.

Fifteen acres have been laid out in ball grounds and tennis courts, and a delightfully old-fashioned "village green." There are campfires, and an open air theatre where plays are given by both the children's and the grown-ups' dramatic societies.

The colony elects its own officers, a town clerk, a position filled at present by a woman, an assessor and a treasurer. The business is carried on by these officers, who are members of the association, but upon the petition of 10 per cent. of the other members, any act of any officers or any measure proposed, may be submitted to a vote of all the members. The rights of the people are thus safeguarded by the initiative, referendum and recall. When the work of adjusting the rents, which is performed by an assessor, is finished, every lessee is furnished with a list showing the ground rents, and a time is appointed within which complaints are received from any who feel so inclined.

If any complaint remains unadjusted, the valuation of the land is subject to a referendum of the members. Under this system no one takes and holds more land than he can use, since it does not pay him to do so, and would be undermining the ethical foundation of the Single Tax philosophy that "all men have equal right to the use of the earth."—F. W.