

cost is used to perpetuate the waste of a national asset and to hinder the improvement of land which, on the grounds of amenity alone, can be justified for reclamation.

The broad national position would thus seem to be that the Exchequer are reluctant to contribute towards the reclamation of derelict land at a possible cost of £400-£500 per acre, even though it is officially admitted that 36,000 acres of potential land which at present lies abandoned could be returned to a productive use. On the other hand they are willing under the Housing Subsidies Act of 1956 to pay a higher rate of subsidy to flats

of four or more storeys, irrespective of whether or not they are located on expensive land which costs more than £4,000 an acre and, despite the fact that the capital cost of saving agricultural land by such means may be to the order of £19,500 an acre. One wonders how far such anomalous financial decisions are made on the considered appraisal of the greatest national good and how far they result from an unco-ordinated series of *ad hoc* decisions to resolve related problems. It is against this unsatisfactory background of national fiscal policy that the local planning authorities must undertake their development.



BOOK REVIEW — BY MARY RAWSON

An Experiment in Alabama

FAIRHOPE, 1894-1954, The Story of a Single Tax Colony, by Paul E. and Blanche R. Alyea. University of Alabama Press, 1956. pp 351. \$4.50.

REAISING the limited appeal of their theme, the authors modestly and wisely advise the general reader to scan much of the text. But this is a necessary and worthy study. The Alyeas do not claim to be "Single-taxers" but they understand Henry George's taxation proposal and his philosophy as it rarely is understood—"a blueprint for a free society."

"As everyone knows, most of the competing social, political and economic philosophies of the twentieth century exclude almost entirely any serious consideration of the one closely identified with Henry George. Indeed, the world seems destined for the indefinite future to adopt policies leading to extreme collectivism—a destination diametrically opposed to the degree of individualism so devoutly sought by the single-taxer."

Fairhope is the history of a small band of social idealists who settled in a barren spot in southern Alabama and tried, as a community, to apply those economic and political principles in which they had faith. It is a chronicle of a mixture of socialists, Bellamyites, and Georgeists, the disagreements on principle that inevitably followed, and the attendant conflicts of personality. Most interesting to a sympathetic outsider are the methods of land valuation which came to be used (The Somers System), and the gradual shedding of non-Georgeist features in the functions and policies of the community. These are the developments that earn for Fairhope its fame as a "single-tax colony."

The majority of George's followers looked with disfavour on isolated experiments of the Fairhope type and worked instead to obtain local option in tax matters. Majority opinion today is the same. Fairhope remains a curiosity which Georgeists regard with sympathy but not great interest.

The core of the value in the Fairhope experiment lies in the answer to this question: In what way is Fairhope different from other Alabama towns and how much of the difference can be attributed to the presence of its unusual (or "atypical" as economists say) taxation and revenue system? Such differences are not easy to measure and apportion:

"From the point of view of the community, do colony policies facilitate, or retard, the maximum improvement of a land site justified at any given time? Do they facilitate shifting the use of land from an inferior to a superior use over a period of time? Does the colony plan unduly discourage expensive or specialized improvements? Does it tend to handicap a growing business in acquiring additional land? . . . It is possible to contrast actual land usages of colony property (in Fairhope) with the land usages in other organised communities in Baldwin County, and with the usages of privately-owned land adjacent to colony leaseholds within the municipality of Fairhope . . . The results of the Fairhope colony experience appear to these observers as quite superior to those observable in comparable areas."

Fairhope has grown more steadily and rapidly than any of her sister communities along the Mobile Bay, many of which are much older, with better agricultural land, and more favourably located for water transport. It is difficult, say the authors, to find any natural advantage that Fairhope has. What has made the difference?

"None of the other communities enjoyed any protection whatever from land speculation, which, from the point of view of a single-taxer, is a retarding and growth destructive influence. The Fairhope plan for community collection of the increase in land values . . . protected Fairhope from land speculation. As a

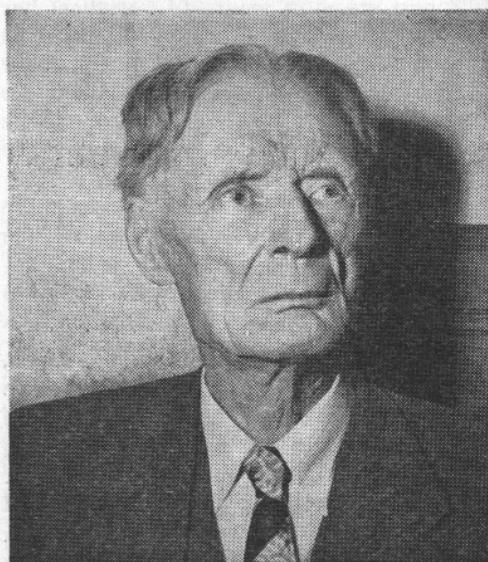
result of such protection many who desired to, but could not find economically secure sites on the shore, came to Fairhope. Besides finding Fairhope sites accessible, without the necessity of paying speculative premiums, the collection of the socially created economic rent of its lands gave it a locally controlled public fund with which to provide improvements of its own choice and its own direction. The relatively rapid growth of Fairhope as contrasted with the much slower growth, or even the long-term stagnation with some retrogression, of other Eastern shore centres, may, with considerable certainty, be attributable to the colony plan."

Single-taxers in Fairhope can fairly claim that colony's relative superiority—its growth, the wealth of parks, the system of improved streets, the more intensive and even development of commercial and residential areas—is attributable to the underlying system of land tenure. The Alyeas have weighed and balanced, found the results in Fairhope superior, and been able without a doubt to give

colony policy the credit. Fairhope's site and soil were inferior; Fairhope's "single tax" bias made the difference.

A Note on the Somers System.

The Somers system of land valuation was introduced in Fairhope in 1914. Mr. Somers based his system on the theory that "the only foundation for valuation of land is its use and the specific value can only be determined by comparison and the only reliable measure for making this comparison is community opinion." Somers therefore held a series of public meetings with the leaseholders of Fairhope colony, and, after discussion in these and committee meetings, fixed comparative values on city lots—taking the most valuable at 100 and marking other lots in proportion. The same method was adopted for farm lands in the colony, marking every other tract proportionately. Then at a general meeting the best farm unit was rated against the nearest town site unit and thus a comparison of all colony land was established.



JOHN C. LINCOLN

BY any standards the author of this book must rank as a remarkable man. Born in 1866—fifteen months after the death of another Lincoln—he is still well known as one of America's leading business men. Since 1888 when he graduated from Ohio State University he has founded and organised a whole string of industrial companies, and these have, for many years, provided him with a strategic window on the economics of American industry. That his observations from this vantage point should have made him a zealous disciple of Henry George is a reflection of a sincerity of approach to the economic problems of life. That he should set up the Lincoln Foundation to speed the dissemination of Henry George's teaching is clear evidence of a restless desire to improve the lot of his fellow men.

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BOOK REVIEW—BY B.W.B.

Government Revenue —The Natural Source

GROUND RENT, NOT TAXES, The Natural Source of Revenue for the Government. An Economic Study by John C. Lincoln. Exposition Press, Inc., 386 Fourth Avenue, New York 16, N.Y. 1957. pp. 72. \$2.50.

The secret of his personal interpretation of the Henry George philosophy is given in the title of this book. Avoiding any reference to land-value taxation—apparently any form of taxation is anathema to Mr. Lincoln—he insists that the root of the social problem lies simply in the collection of ground rent—or rather in the question "Who collects ground rent?" Ground rent, he points out, is what is paid for the use of land. The amount of it depends on the presence and activity of the community. When John Lincoln was a boy he watched the "prairie schooners" going from Illinois to Iowa to take up the new land of the West, practically free. Now, he sees \$1,000,000 an acre being paid annually for land in the vicinity of New York City. The community he insists, has a natural right to the value it creates. Should not this