

# The Philosophy of Freedom

An Open Forum for Single Taxers

Fairhope, Alabama  
(Third Article.)

In communities outside of Fairhope, all public services and government expenses are paid by taxes, and in addition the owners of land are able to collect large sums in ground rents and land speculation. All of these sums must necessarily, in some way, come out of labor. At least, they are paid by the people who inhabit these communities, either as producers with less reward for their work, or as consumers by increased expense of living. It follows that in Fairhope, with no increased burden upon her people, she is able to collect in rent both the amount which the government collects in taxes and the sums which the land-lord takes in rents and land speculations. If a man will pay rent and taxes also, he can easily pay a much larger rent to include the taxes. The aggregate of these sums is determined by the competition which Fairhope offers with other localities.

The especial advantage which she offers to settlers is obtained through her policy of devoting to public use, for the equal benefit of all her people, all the sums thus realized.

These sums are rapidly becoming sufficient for such undertakings in the line of public ownership as her needs require. The benefits of such ownership, of course, reinforcing her other resources. For instance, the proceeds or revenue from her wharfs has in late years been about equal to her revenues from land rents. The services of the wharf are furnished as cheaply as at other wharves along the shore, but only the pay to the wharfinger for his labor goes into her treasury, Fairhope labor goes into private pockets.

In fact, to residents upon Fairhope lands there is charged no wharfage for foot passengers, but to others such wharfage is charged, at the same rate as at other wharves on the shore.

With these considerable sums coming into her treasury Fairhope will hereafter be able to provide herself, on a cash cost basis, with all the reasonable public services she needs.

In the beginning, before her land values developed, she was obliged to resort to temporary expedients to secure such public services as she was obliged to have, but it has never been her policy to go into debt and jeopardize her property.

These services when once installed, bring additional value to her lands, and enable her people, without additional hardship, to pay still larger rents and thus Fairhope becomes an example of both the single tax and public ownership.

During the first year no rents were charged, but since then her income from that source has steadily increased and her public work instead of being done by volunteers, has been done by labor, paid from her funds thus raised. All of her income, above what is needed for the payment of taxes, is returned by her to her own people the same year in payment for labor at her public works. Roads and bridges have been thus built besides other work of a public nature.

One of the earliest of public works needed was a wharf where the boats of the bay might land. So gradual is the slope of the bottom of the bay at Fairhope, it was found necessary to build out into the water over eighteen hundred feet before sufficient depth could be reached. To build a wharf of such length required a fund of over \$1,200.00

and at that time there was not a cent in the treasury.

The wharf, however, was a necessity and to compass its building, recourse was had to the following expedient, which is known as the Guernsey Market House plan. Certificates were issued that were made a lien upon the revenues of the wharf after it was built, and in no way involved a debt to the corporation, or the property of residents upon the lands. At that time Fairhope was conducted as the Fairhope Industrial Association, organized under the corporate laws of Iowa. Since then a reorganization has taken place under a law passed by the Alabama legislature, at the request of said Association, and its corporate name is now The Fairhope Single Tax Corporation.

The wharf certificates were in various denominations and were in form as follows:

FAIRHOPE, BALDWIN COUNTY,  
ALABAMA, 1895.

WHARF CERTIFICATE.  
FIVE DOLLARS.

FAIRHOPE INDUSTRIAL ASSOCIATION.

J. H. SPRINGER, Pres.  
E. B. GASTON, Sec.  
C. L. COLEMAN, Treas.

.....  
.....

On the reverse side:  
THIS CERTIFICATE is issued for money, materials or labor, contributed toward the building of  
FAIRHOPE WHARF

and certifies that bearer is entitled to an equivalent in wharf uses, or in cash from the earnings of said wharf; all of which earnings, over and above actual cost of operation and maintenance, are pledged to the redemption of this and like certificates.

Upon completion of the wharf, a wharfinger was hired at a compensation of 40 per cent of the receipts from the traffic. The certificates which he took on his share he was able to trade for groceries at the store, since the merchant could use them again in payment for wharfage. The sixty per cent that was turned into the treasury, or so much of it as consisted in wharf certificates, was cancelled, so that in a few years all of the outstanding certificates were redeemed.

From the day it was opened for traffic, the receipts from the wharf have been considerable, and have about kept pace with receipts from land rentals. In 1903 they were a trifle more. This year the population is forty per cent greater than last, the land rentals are increased a little more than fifty per cent and the receipts from the wharf bid fair to make about the same advance.

Next a town well had to be provided. An excellent vein of water was reached at a depth of one hundred feet, by a inch iron pipe, and a large wind mill and tank were provided. Water is now furnished free to residents upon corporation land, but at first water rates were charged, to pay for moneys advanced without interest by friends of Fairhope.

Of course, the free use of the well had the effect to make land values greater in the neighborhood and thus the cost of construction was soon raised from those benefitted. The original intention was to pipe the water about the village, but the high priced pipe has hitherto hindered. It is expected that this will be done the coming year.

In 1899 Mr. Joseph Fels, of Philadelphia, gave the corporation \$50.00 with which to fit up a room for a library, and Mrs. Marie Howland, a resident of Fairhope, a lady of fine education, extensive travel and an author of considerable repute, donated to the community the library of her late husband, containing some eight hundred or more fine books. Mr. Howland had been a professional book collector and his library embraced many rare volumes of great value. Hundreds have since been added, so that the library now numbers more than 2,000 volumes. Through the assistance of Mr. Fels and other disinterested friends of Fairhope, a steamer was built for her use. It is of ninety-three tons burden, and is licensed to carry 115 passengers. It was built on Fairhope beach by Fairhope labor, and out of lumber cut in the vicinity. It was chartered to Fairhope upon the condition that all of its net earnings would be used to pay for the cost of building, with six per cent interest,

after which the boat should become the property of the corporation.

As has been shown above, none of the assistance that has been given to Fairhope has been made a debt upon her material resources, and it is believed that in the future she will be able to provide herself with all needed public services out of her current revenue.

In case large sums shall be required for some public work, she will set apart her revenues until enough is saved to meet the requirement. She will not issue bonds, but while accumulating needed funds, it is quite probable that she will, at times, become the holder of the bonds of other cities.

During the year 1904 she has installed a telephone system. The poles and wires have been provided by the corporation and the users have furnished themselves with the telephones. The central switch board is of the Clark Automatic system and each subscriber pays for one point and thereafter the service is maintained free of further cost to the user. About \$26.00 covers the cost to each subscriber.

Since the completion of the wharf, large warehouses have been built and facilities for handling freight are all that could be desired. The cost of transportation has been materially reduced and by direct communication with Mobile, through her steamer, Fairhope has become the metropolis of the eastern shore. Some system of public lighting will doubtless be installed during 1905 and the water mains from her water works will be extended through the village.

J. BELLANGE.

### Interesting Figures

A capable insurance man has made some interesting investigations in relation to the high rates paid for wind storm insurance in Nebraska. He writes:

"I have carefully examined the records in the insurance department relative to tornado insurance in this state and find that twenty fire insurance companies report that during the year 1904 they collected \$137,763 in premiums out of which they paid losses \$8,475. You will note that the losses paid are only about 6 per cent of the premiums collected, leaving a net profit to the fire insurance companies on wind-storm business of 94 cents out of every dollar collected.

"I have also sent to Iowa and got the reports from there. There are three companies doing business in the state of Iowa, an exclusive tornado business, not connecting it with fire insurance. These three windstorm companies did not make assessments during the year 1904. Had the windstorm business in Nebraska been carried on the same basis as in Iowa it would not have been necessary for this large collection that the Nebraska fire companies collected here to pay the windstorm losses. But, of course, as the fire companies here have had it all their own way, having no exclusive windstorm company in competition, they have simply held up the rates and the general public have never been aware of the fact that they have been paying large sums to go into the pockets of these fire companies, for which they never had to pay out but a very small proportion.

"In fact, windstorm losses average higher in Iowa year after year than in Nebraska, and Iowa has had a tornado company running for twenty-one years, and has carried upwards of \$106,000,000 of risks. And during the twenty-one years has only made assessments amounting to \$9.50. During the same time Nebraska people have been paying \$10 every five years, or on an average for 21 years amounting to \$42 compared with \$9.50 for the same class of risks when the losses have been heavier in Iowa than they have been in Nebraska."

It therefore seems that a successful windstorm company in Nebraska ought to meet with the approval of the general public and be well patronized.

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### Burlington February Bulletin

CHEAP ONE WAY RATES to California, Puget Sound and the Northwest country, March 1st to May 15th.

VERY CHEAP ROUND TRIP RATES to the South and Southwest, February 21st, March 7th and 21st. Also cheap one way rates to the same country February 21st and March 21st.

LOW HOMESEEEKERS' EXCURSION RATES February 21st and March 7th and 21st to eastern Colorado, the Big Horn Basin and North Platte Valley where there is an excellent chance of getting in on the ground floor ahead of the crowd and pick up a bargain in irrigated lands.

CHEAP RATES EAST to Washington, D. C., for the inauguration.

Send for printed matter and write for information. Describe your trip and let me advise you the least cost.

L. W. WAKELEY,  
General Passenger Agent,  
Omaha, Neb.

GEO. W. BONNELL,  
City Ticket Agent.

### F. C. HAMER Attorney

#### NOTICE TO NON-RESIDENT DEFENDANTS.

To Sarah C. Graham, Robert C. Percy, Sarah Percy George Percy, and all persons interested in Lot one, Block twenty-five Kinney's O Street Addition to the City of Lincoln, Lancaster County, Nebraska.

Take notice that on the 7th day February Nineteen hundred and five the American Safe Deposit Company, a Corporation filed its petition and began an action against you in the District Court of Lancaster County, Nebraska, the object and prayer of which is to foreclose a certain tax sale certificate and said petition is in substance as follows:

In the District Court of Lancaster County, Nebraska,  
American Safe Deposit Company, a Corporation Plaintiff.

vs.  
Sarah C. Graham, Robert C. Percy, Sarah Percy George Percy and all persons interested in Lot one Block twenty-five Kinney's O Street Addition to the City of Lincoln, Lancaster County, Nebraska.

Defendants.  
The plaintiff, a corporation organized and doing business under the laws of the State of Nebraska, complains and for cause of action alleges:

1 The following described property in the City of Lincoln, Lancaster County, Nebraska, to-wit: Lot one Block twenty-five Kinney's O Street Addition to the City of Lincoln, Lancaster County, Nebraska was duly subject to taxation for the years 1899, 1900 and 1901, by the proper county and city authorities

2 That on November 8th 1900 W. H. Mendenhall bought said real estate at tax sale for the delinquent county, state and city taxes of Eighteen hundred and ninety-nine thereon for the sum of Twenty-three and 60-100 Dollars and thereupon as evidence of said tax sale the treasurer of said county issued to said W. H. Mendenhall a tax sale certificate therefor, a copy of which is hereto attached marked "Exhibit A."

3 That in order to protect the lien acquired under said sale, the said W. H. Mendenhall subsequently paid the following taxes on said real estate to-wit: The Nineteen hundred city taxes on December 28th Nineteen hundred in the sum of Nine and 38-100 Dollars; also the Nineteen hundred county and state taxes on May 2d 1901, in the sum of Eleven and 48-100 Dollars; also the Nineteen hundred and one city tax, on January 3d 1902, in the sum of Eight and 08-100 Dollars; also the Nineteen hundred and one county and state taxes on May 2d 1902, in the sum of Nine and 02-100 Dollars.

4 That said tax sale with all subsequent payments of taxes made thereunder were duly assigned to the plaintiff corporation and said corporation is now the real owner of the same.

5 No proceedings at law have been had for the collection of any of said taxes, and there is now due thereon the sum of Twenty-three and 60-100 Dollars with interest at the rate of Twenty per cent per annum from November eighth, Nineteen hundred, to November eighth, Nineteen hundred and two and at the rate of 10 per cent per annum after November eighth, nineteen hundred and two; also nine and 38-100 Dollars with interest at the rate of twenty per cent per annum from December twenty-eight Nineteen hundred to December 28th nineteen hundred; and at the rate of 10 per cent per annum after December twenty-eight nineteen hundred and two also eleven and 48-100 Dollars with interest at the rate of twenty per cent per annum from May second, Nineteen hundred and three, and at the rate of ten per cent per annum after May second, Nineteen hundred and three; also Eight and 08-100 Dollars with interest at the rate of twenty per cent per annum from January third, Nineteen hundred and two, to January third, Nineteen hundred and four at the rate of ten per cent per annum after January third, Nineteen hundred and four; also Nine and 02-100 Dollars with interest at the rate of twenty per cent per annum, from May second, Nineteen hundred and two, to May second, Nineteen hundred and four, and at the rate of ten per cent per annum after May second, Nineteen hundred and four; also one dollar for advertising notice.

That the above named defendants by reason of certain deeds and mortgages claim an interest in said real estate but the plaintiff aver that said interests are subsequent and inferior to the plaintiff's tax lien and of no effect as against the same.

Therefore the plaintiff prays that an accounting may be had of several items of taxes paid by it; that it may be decreed to have a first lien on said real estate for the amount found due it, and also a sum equal to ten per cent thereof as an attorney's fee hereon; That if said defendants fail to pay said sums by a day certain to be fixed by the court that the defendants be foreclosed of all interest in said real estate and that the same be sold to satisfy the liens thereon, and for such other and further relief as may be just and equitable.

AMERICAN SAFE DEPOSIT CO.  
By F. C. HAMER, President.

STATE OF NEBRASKA, ) ss  
LANCASTER COUNTY, )

F. C. Hamer being first duly sworn says he is the attorney for the American Safe Deposit Company, a corporation, and as its attorney believes the facts stated in the foregoing petition to be true.

F. C. HAMER, Attorney for the Plaintiff.  
Subscribed and sworn to before me this 7th day of February, 1905.  
Signed, W. E. BARKLEY, Jr.,  
Notary Public.

[Seal]  
You are required to answer the plaintiff's petition on or before the 20th day of March, 1905.  
F. C. HAMER, Attorney for the Plaintiff.

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If your watch needs repairing carefully pack it in cotton and send by mail. I will examine it free of charge and let you know what repairs are needed and what they will cost. You can then say whether I shall proceed and repair it for you. If the expense should be more than you desire to pay the watch will be returned without charge.

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