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Colombian Coffee Growers Recommend LVT

by WILLIAM A. CAMARGO

JUAN VALDEZ, the Colombian coffee man of the Federation's TV and radio commercials has "gone single tax." The National Federation of Coffee-Growers of Colombia is a co-operative organization with exclusive rights for marketing and exporting coffee. Since the tax system is based on production and income, this is one of the most heavily taxed industries in the country. Colombia is the second largest producer of coffee, and because of its aromatic and mellow flavor the beans command premium prices in the market. Coffee is grown on small farms by a multiplicity of owner-farmers. Among the agricultural sections the coffee regions have the highest per capita income and the greatest prosperity. Due to the fact that coffee is the country's main export this group is an important source of foreign currency, and is consequently one of the most influential organizations in this South American Republic. At the annual convention held in Bogota, Colombia, in October the following was included among its recommendations:

"The 28th National Convention of Coffee-Growers respectfully asks the National Government of Colombia to study all legal dispositions directed towards the establishment of a tax system for all agricultural activities of the



country, based on a single tax which will replace income taxes and other related taxes. The tax is to be imposed on the 'potential rent' and tax land-tenureship. This measure will facilitate the payment and the collection of taxes . . . and it will avoid the innumerable difficulties which the present system causes not only to the taxpayer but to all government agencies in charge of the collection of revenue."

Much of the credit for this strong conviction belongs to Hernan Sanin Vermont, director of the Henry George School with headquarters in Cali, which he started in 1964 (see photograph). Mr. Sanin has been teaching basic economics to an increasingly large number of students and has recently moved to larger quarters which include two classrooms, offices and a coffee shop. Among his students are bankers and others closely related to the coffee growing industry.