

the Henry George News

PUBLISHED BY HENRY GEORGE SCHOOL OF SOCIAL SCIENCE • NOVEMBER 1966

Costa Rican President Affirms LVT Reform

AN AUDIENCE at the Henry George School in New York last July awaited eagerly the visit of Hernán Sanín-Vermont, director of the HGS extension in Cali, Colombia. He had stopped in San José, Costa Rica to interview the President of that country, and his arrival was delayed; but he was a very welcome guest speaker later at the school's annual conference in St. Louis. Now we are pleased to present a report on his visit with Dr. José Joaquín Trejos Fernández as translated by William Camargo, Head of the Spanish Division of the HGS in New York.

Mr. Sanin: Your Excellency, what are the main points in your government program?

Dr. Trejos: My proposed program encompasses many things. But mainly I would like my country to have close friendship ties with all freely elected democratic governments. I would also like to stimulate both national and foreign investments by giving industry the freest field of action, so as to develop their initiative within the norms of justice for capital and labor.

Mr. S-V: How do you plan to obtain this?

Dr. T: There is a very simple way,

and that is to put into practice the most efficient methods of administration in those proper fields of government action, so the government programs will be beneficial in all economic activities instead of hindering economic development.

Mr. S-V: To what do you attribute the constant impediments to free enterprise?

Dr. T: To the fact that free enterprise is obstructed and persecuted unjustly. It is precisely on production and free enterprise that the highest taxes and restrictions are imposed, and this makes impossible any economic development. To tax production unjustly is to discourage labor and capital from continuing to apply their patrimony and energies to the country's development.

Mr. S-V: Mr. President, could you tell me how your government will be financed if you discontinue the major taxes which fall on labor and capital?

Dr. T: The manner is simple. If we remove from production all the impediments and burdens which the state levies injuriously against it, its development will be faster and more prosperous. These are the measures through

(Continued on page 15)

(From page one)

which the more advanced nations of this hemisphere have attained great wealth and well-being. Logically, if there is more production there will be more wealth, and with this comes industrialization, employment and the progress that we are lacking. Answering the second part of your question, the remedy is easy. As we liberate production from its burden of taxation we can gradually raise the taxes on values created by public works and on the value of land which is constantly reflecting the growing population.

Mr. S-V: Do you believe, Mr. President, that one tax alone can support the state?

Dr. T: Of this I am sure, and the examples are obvious in countries of Europe and parts of the United States and Canada. To explain, in exempting production from its burdens; wealth creates new industries and employment and corruption receives a death blow along with excessive bureaucracy. In other words, for a government to collect its innumerable taxes it requires an army of tax collectors, assistants, inspectors and assessors who absorb, in wages, bonuses and loans, an enormous part of the national revenue. To this we have to add the expenditures for renting and maintaining buildings, and therefore the collection of such revenue is very costly in comparison to the sum the state finally receives.

Mr. S-V: Mr. President, don't you think that in suspending these innumerable taxes the country will be headed towards a large problem of unemployment?

Dr. T: Under no circumstances. As I have already explained, if government machinery is oriented toward the support and stimulation of production it will rapidly develop new industries and enterprises with new jobs that can be filled by the present bureaucracy. It will then be transformed from its present unproductive state to a productive

and beneficial force for the well-being of the country in general. This remedy will definitely put an end to the bribery, corruption and shady deals in which government employees handling taxes, licenses and tariffs are often involved. My administration is revising in a technically efficient manner, all forms of public administration, the object being to coordinate public organisms and permit efficiency and speed to become the norms.

Mr. S-V: To what do you attribute the fact that Costa Rica is recognized in the Americas as a country where, amid peace and tranquility, democracy has emerged, and its people respect and love the democratic institutions?

Dr. T: This can be attributed to our constitution and the National Unification which is based on the UN Declaration of Human Rights... also National Unification considers that in the solution of Costa Rican problems of development we must use all available instruments and resources, but above all we must take advantage of knowledge in the problems of land.

Mr. S-V: What do you mean by "knowledge in the problems of land?"

Dr. T: I mean that by collecting a tax on the value of land created by the improvements the government makes, and the value that population itself gives it, we could collect a more abundant revenue (of the contributions) for government expenditures and not punish labor and capital as they are being punished now.

George in Latin America

As a result of the above interview and others held with the President and Vice-President of Costa Rica by Hernán Sanín-Vermont, the government invited the HGS to give a series of lectures on Henry George and land economics, and plans are being made to send a representative there next summer. The Cali, Colombia extension has moved to larger and more centrally

located offices and Mr. Sanín is presently teaching Fundamental Economics, Economic Science and Land Reform Through Fiscal Measures. He has also been invited to lecture at several universities and literary societies. His addresses have been published in the leading literary journal of Colombia, *Tercer Mundo*, and these have drawn the attention of the intelligentsia to George's economic views.

In the past month new extensions have been opened in Guatemala City and Santo Domingo. The former headed by Carlos E. Riveros has been officially recognized by the Ministry of Education as the first free adult education school in that country. The school in Santo Domingo is offering courses based on *Progress and Poverty* taught by Mrs. Lucy de Silfa who was an assistant in the Spanish Division in New York.

A visit to Peru by Edmund Moya a teacher in New York's Spanish Divi-

sion has resulted in an invitation from Dr. Carlos Capuñay Mimbela, dean of the economics faculty of San Marcos University in Lima, for the HGS to give a series of lectures to the student body on economics and social philosophy paving the way for an eventual faculty exchange.

To cope with the constantly increasing demand for Henry George's books in Latin America and Spain, the Robert Schalkenbach Foundation has brought out new Spanish language editions of *Progress and Poverty*, *Protection or Free Trade* and *The Science of Political Economy*. Editorial Caudal of Buenos Aires is publishing the writings of Spanish Georgists which are also in use for advanced courses in the Spanish language. Among these, a book entitled *Reforma Agraria en America*, by Carlos P. Carranza, is in great demand in countries where redistribution of land has been proposed as the panacea for economic ills.

Being deeply interested in the history of the American Indian, I found Robert Clancy's "A Word With You" (October HGN) quite enthralling. As an addendum to his all-too-brief observations, the following excerpt from the autobiography of Black Hawk, famous Chief of the Sauk (or Sac) Nation, is worth quoting: "My reason teaches me that land cannot be sold. The Great Spirit gave it to his children to live upon. So long as they occupy and cultivate it, they have the right to the soil. Nothing can be sold but such things as can be carried away."
— Sydney Mayers

GEORGE L. COLLINS
HENRY GEORGE SCHOOL
413 SOUTH 10 ST.
PHILA PENNA 19147