

The Single Tax in Brazil

THE following statement, made recently by Dr. Luis Silveira, of Sao Paulo, Brazil, appears in the September issue, 1922, of the *Revista del Impuesta Unico*, and will interest American Single Taxers whose attention has been drawn of late years to the remarkable growth of Single Tax opinion in South America.

Dr. Silveira has acted as financial and fiscal adviser to successive State governments in Sao Paulo and has in that capacity investigated every phase of the land tax as source of revenue and stimulates to production. His present statement brings out the fact that the roots of the present land reform agitation in Brazil go back at least eighty years in her history:

"Some generous journalistic friends of mine, says Dr. Silveira, have referred to me as the first to discuss the land tax amongst us. I attribute this courtesy to my gray hairs. As a matter of fact, according to Tavares Bastos, the land tax was decreed in 1843. In the years 1849, 1867, 1874 and 1879, the subject was brought before Parliament but its serious study evaded.

"In 1877 the Baron of Rosario pointed out that house rent was constantly rising and that, notwithstanding, many proprietors, owners of large tracts of land in the best urban sections, did not use them for building nor sell them at reasonable prices for others to build. He advised the creation of a tax that would make it unprofitable to keep those sites vacant.

"In his report for the year 1891, Ruy Barbosa, adopting the opinion of the Baron of Rosario, proposed the creation of such a tax, as a penalty for the proprietors who gather around cities and along roads and navigable rivers, great extensions of landed property which, without being given over to building or cultivation, represent dead capital for themselves and for the State.

"In his monumental declaration of policy at Santa Maria, in 1908, Assis Brazil analyzed the multiple taxes in force and contrasted them with the land tax, emphasizing the difference. In the case of the latter, he pointed out as the land pays on its intrinsic value and not on what it produces annually, there is a very simple way of paying less, namely, make the land produce more. 'Thus,' continued the eminent citizen, 'the land tax offers a stimulus and reward to the production of wealth, instead of acting as an obstruction.'

"We see therefore that, both under the monarchial and the republican regimes, the land problem has preoccupied the best statesmen of Brazil. In the last years of the monarchy which were agitated by the republican campaign, the government could not carry out such a transcendental reform. It now devolves upon the republic to carry it out, for the greater glory of her public men, and also because, as stated by our great president Borges de Medeiros: 'there is no longer any room for discussion as to the superiority of the single land tax, which has in its favor the unanimous opinion of economists and real statesmen.'

"There are no difficulties in the way which cannot be overcome, even those of a constitutional kind. After the manner of that eminent Chinese philosopher, Weng-Wang, of the dynasty of the Teheoa and pendent counselor of Kings, I venture to suggest to our Republic that she take inspiration from the overgoverning intelligence in the all-illuminating wisdom, in science that instructs, in counsel that guides, and in justice that sustained the reign of right, and she will solve with judgment our economic problem."

How Ohio Voters Fooled Land Speculators

BY an overwhelming majority, Nov. 7th, Ohio voters defeated a tax amendment initiated by real estate boards, whose avowed design was "to open up new sources of revenue."

Had they been successful, the land speculators would have asked the Legislature to adopt a tax on all incomes over \$500; a graduated tax on mortgages at time of recording; a tax on bank deposits to be collected and paid by the banks; and, probably, a license tax on householders for the privilege of owning and using furniture.

The amendment required the taxation of all property; but permitted any or all of it to be taxed according to value, according to income from it, or according to the use the owner made of it.

In short, the speculators wanted change in the direction of more taxes and a more complicated system of assessing and collecting public revenue, but were unwilling to give the Legislature any freedom to adopt a simpler system of taxing property. It was onesided.

A few years ago, Ohio voters adopted, by a large majority, an amendment which permitted the Legislature to abolish taxes on mortgages.

Later, by a majority of nearly 500,000, they voted down a proposition to impose a poll tax. They also increased each person's personal property exemption from \$100 to \$500.

Here are four expressions of public opinion in six years, indicating that Ohio voters don't want more taxes. They also serve to give the impression that Ohio is ready to abolish a few if not many taxes.

Great dissatisfaction exists with the revenue system. The State has 96 sources of revenue in addition to the uniform tax on property, and they are mostly excise, corporation and franchise taxes. There is a viciously bad tax on life insurance policies. The expense of assessment and collection is altogether out of proportion to the amount of revenues. It is not good business. It is demoralizing. A non-partisan State commission reported that Ohio's tax system was "a school of perjury."

Ohio's Legislature has no excuse whatever for not abolishing many of these wicked taxes. At least, the law makers should submit propositions to the voters to repeal some taxes.