

collective power, and applicable to the conquest of national and intellectual progress, the sole patrimony of a great democracy...."

"The bill proposing this reform, which we present to this Honorable House, came at an opportune moment. For years the country has been struggling with a profound financial and economic crisis, whose radical and effective solution cannot be postponed. The crisis coincides with the debate of new social and economic doctrines, whose discussion proceeds with great warmth in all intellectual circles, in the public squares, and within the very precincts of this Honorable House."

IMMEDIATE VALUATION OF LAND OF BUENOS AIRES

With the manifest intention of being ready for the approval of the above Land Tax Bill by the National Congress, and in spite of his own doubts as to its constitutionality, as above expressed, the mayor of Buenos Aires has ordered the immediate valuation of all the land within the city limits. The order has been given for execution to the Municipal Department of Public Work. In view of the urgency of the case, the system of zone unit values has been adopted, as being the most expeditious.

We may mention here the lamentable fact that only a few of the States in the American Union distinguish, in their real estate valuations, the land from the improvements. Hence we have no authoritative computation of the natural resources of the country, at this time of grave economic strain and still graver social future, when no important economic factor should remain unknown or in doubt.

The Single Tax in Bolivia

TOWARD the end of 1915 three prominent members of the Bolivian Congress, Lavadenz, Muñoz Reyes and Elio, belonging to the Radical and Liberal parties, brought in a bill introducing a radical change in municipal taxation throughout the Republic, abolishing all taxes, rates and licences, except those affecting commercial and professional occupations, and the sale of liquors, and establishing a Single Tax on land values.

This bill was referred to the committee of Political and Municipal administration, composed of members of all the political parties.

The Committee eventually produced a report, signed by all the members, endorsing the proposals of the bill and presenting it in definite form for the approval of Congress.

We append herewith a translation of the report of the Committee and the draft of the bill as it came from their hands:

REPORT OF THE COMMITTEE OF POLITICAL AND MUNICIPAL ADMINISTRATION

OF THE BOLIVIAN NATIONAL CONGRESS

To the HON. CONGRESS:

"One of the most important bills submitted to the consideration of this House, is that which forms the subject

of this report and which is signed by Congressmen Lavadenz, Muñoz Reyes and Elio.

"The bill proposes, in substitution for the Urban Property Tax, which at present falls upon urban property in proportion to its greater or less improvement, a tax upon land, taking as a basis its net intrinsic value.

"The novelty of the subject in our legislation, the importance of the new idea in itself, which proposes to eradicate totally our old tax system, and put in its place a more logical and scientific system, are the reasons that decided this committee to give the bill their greatest attention. The present report is the result of our careful study.

"Hitherto economic science has made little progress amongst us; and if the records of our legislation are examined, it will be found that in this matter we have advanced little or not at all since the first days of the Republic. Customs duties on export and import have followed in succession, modelled on the same pattern: wherever a productive industry was planted, there appeared a law imposing a tax upon it, even before it had time to develop; and when this industry disappeared, from competition or other causes, the public treasury suffered losses which were hard to replace. As an example we may quote: quinine, silver, cocoa, etc.; and if anything today sustains the treasury, it is the production of tin, copper and other metals; and when once these fall in value or disappear, the consequence will be a veritable cataclysm in the national economy, such as has been seen in other instances.

"We are constantly deploring the lack of capital for developing the riches of our soil, and we complain that while we possess them in fabulous amounts, we cannot utilize them and remain, as we are, the poorest country in the world. But we fail to note that, just as soon as an industry, or any other enterprise whatsoever, is established, which proposes to give impulse to the development of these riches, the legislator comes forward and imposes a tax upon it, as if to punish the audacity of the man who brought his capital, his energy and his enterprise to the task of digging up and bring to light the treasures of our soil.

"This which occurs under the National regime, occurs also in the municipalities. A proprietor who attempts to beautify the town with a modern, handsome building, in which he employs large capital, either for his own comfort or for getting greater returns from the site, is at once loaded with a surcharge on the property tax, as if to penalize his spirit of enterprise. Meanwhile, many others, owners of extensive unimproved properties, absolutely unproductive, wait, with their arms crossed, for events to raise the value of their holdings, without having to contribute a single cent to the municipal treasury, thus receiving a species of reward for their inertia and lack of initiative.

"Today, under such a method of taxation, it is easier to live doing nothing, and not losing rest and tranquility by working and trying to make the land produce either agricultural products or buildings which add to its value, for the simple reason that, by doing nothing, one lives without taxation worries, while, in the event of working, one is harassed by taxes."

"It seems indeed as if, up to now, the producer, who increases the national wealth by employing capital and spending his own energies, is condemned on that very account to pay taxes; whereas it ought to be just the reverse: the State or the municipality should reward the man who produces two crops where before only one was produced, and exempt from all class of taxes the man who develops wealth on a larger scale, requiring only from him a contribution upon the portion of land he occupies.

"These are the reasons why the committee consider worthy of approval and acceptance the idea of the proposers of the bill who, though only in a partial manner, (since the bill refers only to urban areas), are initiating an innovation destined to revolutionize the present tax system to the advantage not only of the people but also of the municipalities, if, as we hope, it is accepted and sanctioned as law.

"Based upon the above considerations, favorable to the general idea of the bill, your Committee of Political and Municipal Administration submit to your approval an amended bill, adapting the initiative to the legal principles which at present govern the matter. The draft is as follows:

DRAFT OF BILL

"The NATIONAL CONGRESS decrees:

ART. 1—The urban property tax created by law of Aug. 15, 1880, and declared to be municipal in character, shall apply exclusively to the value of the land, without taking into account the buildings and improvements introduced by the owners.

ART. 2 The municipalities shall proceed to make a valuation of the land within the urban areas, by means of a Commission composed of the Mayor, an engineer and a prominent resident nominated by them. This valuation shall be made within the maximum term of six months, from the date of constitution of the Commission.

ART. 3—The owners of property within the urban area shall present before the Commission their title deeds, accompanied by all documents showing the value of the property, so that they may serve as basis for the valuation.

ART. 4—As quickly as the inscription and valuation of the land proceeds, the municipalities shall examine the lists presented by the Commission, shall introduce in them the modifications which in agreement with the Commissioners may be considered necessary, while endeavoring to secure the utmost fairness between the valuations, and shall order its publication for the term of 30 days in a newspaper of the capital of the district, and at the same time, for an equal term, by placard at the door of the City Hall.

ART. 5—Whoever considers himself injured by the valuation may enter protest before the Justice of the district, within thirty days after final publication of the valuation. The judge, having summoned the members of the Commission and the claimant, shall pronounce upon the objections, briefly and summarily, within a term of not more than twenty days.

Against this judgment appeal is allowed before the District Court, without other resort.

ART. 6—Protests lodged after the term mentioned in the preceding article will not be allowed.

ART. 7—Upon the total value of the land in each property, a tax of one half per cent. shall be paid annually in favor of each municipality. This tax shall be paid by the taxpayers into the municipal treasuries, without need of any previous demand for payment, in the first month of each year; after this term, interest at the rate of six per cent. per annum will be charged, collection being made judicially when payment is deferred more than one year.

ART. 8—In consequence of this present law, the municipalities shall impose no tax for public lighting, drainage and sanitation; nor licenses for industries and factories already established or to be established, with the exception of liquors in general and their products.

ART. 9—Every fifth year after the first inscription and valuation, the municipalities shall revise the land values, by means of the Commission mentioned in Art. 2; and according as the value has increased or diminished, shall fix the corresponding quota.

ART. 10—Exemption from payment of this tax is allowed to:

- a Churches belonging to the Catholic faith.
- b Institutions of primary and free education, and institutions of charity.
- c The properties of the Nation and of Municipalities.

ATILIANO APARICIO, President,
JOSE MARIA SERRA,
MARIO C. ARAOZ,
AQUILES JORDAN,
CARLOS CRESPO, Secretary.

Sydney, a Single Tax City

HERE is a city of nearly 800,000 population, with one of the most magnificent harbors in the world; miles of busy water front; miles of railway and suburban homes; beautiful parks, splendid structures and great sky scrapers—the New York of the Pacific.

How many of the legislators in this country know that Sydney is a Single Tax city, in so far as it does not impose a single penny of burden on industry? All the immense business of this great city is tax-free; no one is penalized for adding to the city's wealth. And the city is prospering.

When the act relieving the industry of the city from all taxation was passed by the City Council the man who now occupies the office of Mayor publicly stated that he, like so many others, had derived his inspiration from the teachings of Henry George.

What a testimony to the wisdom of the proposal to exempt industry from taxation is this great, thriving community of over three quarter of a million souls. What a proud monument to Henry George is this jewel of a city "set in a silver sea."

OUR North American cities have here a magnificent example of what has been done in the first of Australian municipalities. In America, where Henry George was born and where his message was written, we are far out-distanced by the great progress made in South America and under the Southern Cross.