

Taxes: The Lesson of the Parking Meter

by Héctor Raúl Sandler. Review by Juan Zuccotti

This book is subtitled "A Tax System to Reactivate the Argentine Economy" — and it does offer a concrete solution to Argentina's endemic crisis. Dr. Sandler is a lawyer, economist, researcher and professor, with experience in Argentina, Mexico and the US.

Sandler rigorously analyzes the various tax systems that have been applied in Argentina since 1935, finding that each has served only to paralyze national development. Taxes have been shifted on and off of labor, investment, production, consumption or sales — but have never been lifted from labor's production of wealth.

How to find the true solution? Dr. Sandler introduces the model in his first chapter. A motorist wants to park a car. He might find a convenient space near his destination — or waste much time and energy finding a space that is far away. In the center of a city, where more people want to go, spaces are harder to find. By putting the appropriate fee into a parking meter, the motorist can secure exclusive use of a space for a certain amount of time. This payment covers three things: 1) maintenance of the parking space 2) a return to capital invested in the parking meter and 3) payment for the right to occupy that location for a specific time. The first two parts, of course, will be the same throughout the city; the third will vary greatly with location. That location value is clearly the result of the development of a community — and it is the type of revenue that is most appropriately collected for public revenue.

Having fixed, through this clear example, the concept in his reader's mind, Dr. Sandler presents extensive data about the nature and role of land rent in Argentina's economy. He documents how billions of dollars of land rent go annually into the pockets of a few people.

The book ends on an optimistic note. Great progress is possible, Dr. Sandler affirms, if the annual rent of land is collected and taxes on labor and capital are eliminated. The needs of society will no longer have to make do on crumbs from the precarious table of economic development. Prosperity will no longer be at odds with justice.

Impuestos: La Lección del Parquímetro is available from the Instituto de Capacitación Económica (ICE) in Buenos Aires. The price is \$15, plus postage, which varies with location. For information, you may email Dr. Sandler at hsandler@internet5.com.ar — or contact the HGI by mail.

