

# The Henry George News

Volume 45, Number 1

January - February 1981

## Dominican Officials Support Land Tax

Officials of the Ministries of Agriculture and Finance, the National Cadaster Office and the Agrarian Institute of the Dominican Republic expressed strong support for land value taxation in their country at an international conference held in January, 1981 in Santo Domingo.

In his keynote address before the opening session of the conference, held at the Sheraton Hotel, the Secretary of Agriculture, R. Hipolito Mejia, said "The unearned increment of the land belongs to all Dominicans, while the private owner is entitled to its proceeds that are the fruit of his work".

The conference, cosponsored by the Henry George School and the Lincoln Institute for Land Policy, was the result of fifteen years of work by Lucy de Silfa, the Director of the Henry George School in Santo Domingo, to get officials in her country to take a serious look at the advantages of implementing a system of full value taxation.

In June, 1980 Philip Finkelstein met with Arlo Woolery, Director of the Lincoln Institute, at the World Policy Land Congress and discussed the possibility of bringing experts in the field to present the case for land value taxation to the Dominicans. In November, Mr. Finkelstein met with Ms de Silfa, Mr. Mejia, and the head of the National Cadaster Office, Dona Altagracia Nanita de Espanol in Santo Domingo and there was mutual agreement to proceed with the conference.

In December, Mr. Finkelstein appeared before the New York Board of Trustees with an outline of the Conference, and several members, including Jerome Medowar, George Collins, Lancaster Greene, Stanley Sinclair, and President Paul S. Nix, Jr., decided to attend, along with Mr. Finkelstein, Courtney Haff, former Research Associate with the Center for Local Tax Research, and Louise R. Pulini.

A proposal, prepared by the Center for Local Tax Research in New York to do a feasibility study for the Dominican government was then drafted. Meanwhile Ms. De Silfa invited her students, contacted officials and worked closely with the New York school in planning and scheduling the activities.



Lucy de Silfa, with (l-r) Oliver St. Claire Ridsen, Philip Finkelstein and Arlo Woolery at reception.

## New England School to Open

Mitchell Chanelis has been appointed as director of the newly formed Henry George School of New England, and he expects to begin courses in Fundamental Economics in Spring, 1981.

# Dominican

Continued from page 1

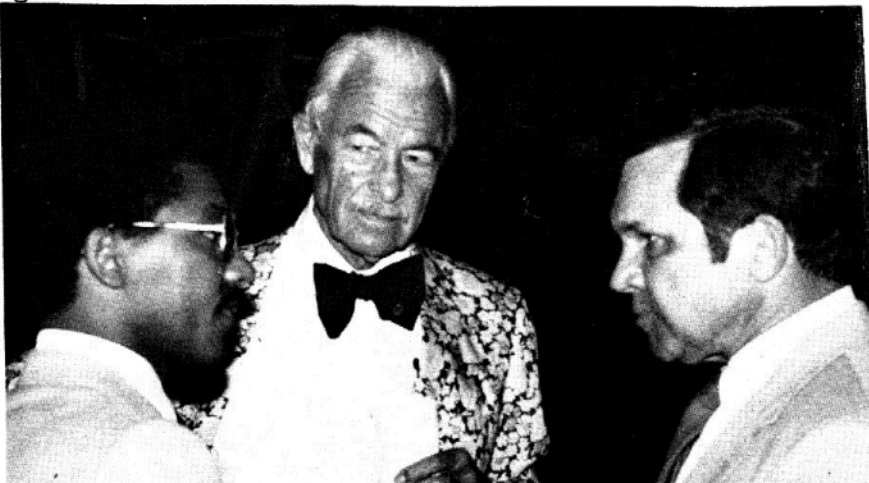
The first part of the conference was a training session at the Office of the National Cadaster. Archibald Woodruff, Mr. Woolery, Sein Lin, Daniel Holland and Martin Miller of the Lincoln Institute, along with the Henry George School delegation, met with Cadaster officials and proclaimed that the current inventory on land by the Office was very successful in providing a sound and accurate basis for a land tax.

During the conference, the Dominican Congress tabled a proposal to tax urban property only, with land at 2% and improvements at 1% of their values. Most of the conferees agreed that a single tax rate for land only, both urban and rural, would be a more equitable and economically efficient tax measure. A proposal to analyse the implications and consequences of a pure land tax was left for consideration at the highest levels of the Dominican government. Support for the measure was expressed by the officials present.

Mr. Lin and Mr. Woodruff presented the history of full value taxation in Taiwan as a successful model of implementation for the Dominican officials to study. In Taiwan, land value, increments, and vacant land are taxed specially. However, the major difference between the Dominican Republic and Taiwan is that less than .5% of the population owns 35% of the land, in the Dominican Republic, while there is a narrower gap between the wealthiest and poorest in the country in Taiwan.

Oliver St. Claire Ridsen, chief of the Land Appraisal Office of Jamaica, presented the history of land taxation in his nearby Caribbean country, along with its problems and benefits. He pointed out the significance of keeping the tax free from special measures demanded by different political pressure groups.

The conference was featured on the front pages of the major daily newspapers, on radio and television, and was well attended during both of the day-long sessions. A luncheon honoring the Americans who attended ended the conference, with Mr. Nix proclaiming that the Henry George School in Santo Domingo is now the "Number One" extension among the schools.



3 Lancaster Greene with HGS President Paul S. Nix, Jr. and Asst. Director in Santo Domingo, Ismael Reyes.

A proposal prepared by the Center for Local Tax Research to demonstrate the effects of land value taxation in the Dominican Republic was presented to key officials for review during the land tax conference in Santo Domingo in January.

The authors of the proposal state at the outset that although there is no land tax in the Dominican Republic or a specific means of collecting one, there is a growing capacity, through the National Cadaster Office, to identify and evaluate the land.

A tax on land values must be authorized by legislation and is bound to be the subject of intense political debate. An early target for this proposal would be a) a projection of the total revenue that could be raised from a land tax of varying rates and b) some indication of the initial impact of this tax on different levels of taxpayers.

The proposal's main hypothesis is that information on how much revenue will be collected and who will pay will be, on the

Continued on page 7