

SOUTH AMERICA

For reasons easy to understand, South America has maintained closer intellectual relations with France than with Great Britain. The great Canning's diplomacy gave South America her political independence. British capital founded her material prosperity. But France has been her tutor. The advanced economic thinkers of France left their impress on the best Argentine minds. The Physiocrats, to whom the almost purely political turn of the French Revolution was a great disappointment, seem to have placed their last hopes on the New World, and particularly on the Argentines. Surely it would be possible, they thought, to save for this new people that free access to the bounties of nature denied to the older civilizations.

The first Argentine President, Bernardino Rivadavia, had studied in Paris. His tutor was a French economist; and he enjoyed the friendship of the foremost men of that day. It is therefore hardly astonishing that the Lafayette who offered his sword to Washington, should with his pen serve Rivadavia, encouraging him in his great venture of nationalizing in perpetuity the land of the new country.

EARLY AGRARIAN LEGISLATION

By Rivadavia's agrarian law of 1826, the sale of public land was forbidden. Its use was granted only on short term leases, the rent being 8% and 4% upon their value, for pastoral and agricultural lands respectively. The lease, while only for 20 years, could be renewed indefinitely, becoming in fact the property of the lessee. The re-valuation was to be made every 10 years.

This agrarian law was in force, with excellent results, for two years, until the outbreak of a revolution that drove Rivadavia from power. His successor abolished the law and gave over the public land to private purchase and speculation, with all the evils

that follow in their train. Rivadavia had hoped to create a society tax-free and founded on equal rights to the soil. But, outside of the small band of intellectuals who surrounded him, he was misunderstood and unsupported; and an unequalled opportunity was thus lost to Argentine democracy. No wonder that Moreno, one of the founders of the Argentine Republic, wrote bitterly: "The Revolution of May (1810) was for the sole benefit of some 20,000 landowners."

A SOUTH AMERICAN HENRY GEORGE

Some 50 years later, a remarkable vindication of Rivadavia's Agrarian Law was published by Dr. Andres Lamas, a Montevidean lawyer, diplomat, economist and historian, one of the clearest and most versatile minds that South America has produced. His work, *The Agrarian Legislation of Rivadavia*, published in 1882, in apparent ignorance of the writings of Henry George, deserves to be called the "*Progress and Poverty*" of South America. "By the law of Rivadavia," he says, "the public land became a free instrument in the hands of labor. Exacting nothing for its use, the State only absorbed in rent the increment which, independently of private capital and labor, was produced by social progress, *i. e.*, collective capital and labor. The land would be devoted to labor and production, because the rent would be too heavy for whoever, holding land, did not make it produce."

This remarkable book of Dr. Andres Lamas met with no favor at the time. It was published in pamphlet form, in two parts, at separate intervals, and only rare copies can now be found. Dr. Lamas was ill when it was published, and died a few years afterwards, in 1891. Had his health permitted, he would probably not have allowed his work to be killed by a conspiracy of silence.

This silence was broken, however, by a brilliant compatriot, Dr. Manual Herrera y Reissig, whose work *El Impuesto Territorial* (The Land Tax) in 1913, paid due tribute to the genius of Andres Lamas and challenged successfully the intellectual world to discuss the principles for which Rivadavia had staked his

political career and which Lamas had expounded in clear and concise language and with irrefutable logic.

The book of Dr. Manuel Herrera y Reissig has been widely read all over South America and in Spain. It resuscitated the memory of Lamas and revived interest in Rivadavia's forgotten initiative. Following upon the impulse given by this book, the Argentine Single Tax League (Liga Argentina para el Impuesto Unico, Avenida de Mayo 1297, Buenos Aires) was founded, June 14, 1914; and amongst the earliest literature it published was the first pamphlet of Lamas, above mentioned. A complete edition is now in preparation.

The book of Dr. Manuel Herrera y Reissig gave to the Single Tax cause in South America the local tradition upon which to base its appeal to the people. It stirred racial pride. It gave the certificate of Latin-American origin to a movement which aimed at overturning the disastrous economic system inherited from Europe. The Single Tax ceased to be an imported idea. In the publications of the Argentine S. T. League, the portraits of Rivadavia, Lamas and Henry George stand side by side.

It would be unjust not to mention in this connection earlier publications by Dr. Felix Vitale, the most important of which, *Pobreza y Descontento* (Poverty and Discontent), was issued under the pseudonym of Zoydes, in Spain. It is probably the best popular presentation of Henry George's philosophy yet published in Spanish. In Spain it converted to the cause the brilliant intellect of Baldomero Argente, and in South America the no less able mind of Dr. Herrera y Reissig.

But the dynamic influence, the sword cast into the scale, which definitely decided the extraordinary Single Tax organized movement now spreading over South America, was undoubtedly the eloquent, stimulating and convincing work of Dr. Manuel Herrera y Reissig.

RECENT ACTIVITIES IN ARGENTINE

The epithet "extraordinary" is justified if we consider the following record of progress in a brief period of two years, 1914-1916:

After a preliminary grouping of elements of representation and prestige, the Argentine Single Tax League was formally inaugurated in the National Atheneum, Buenos Aires, June 14, 1914. The actual President is Dr. Jose Bianco, Director of the National Property Register, Ex-Senator and Professor of Economics in the University of Buenos Aires. As an authority on the movement of real estate, mortgages, etc. in the Republic he is unrivalled. He is supported by a strong directorate, representative of business, manufacturing, professional and property interests.

The League has also a Consulting Committee composed at present of the following well-known constitutional lawyers: Dr. Eleodoro Labos (Ex-Minister of Agriculture, Professor of Agrarian Legislation in the University of Buenos Aires, and author of works on economic subjects. His phrase: "The land tax is paid by the plus value which it creates," has been widely quoted); Dr. Rodolfo Rivarola (great constitutional lawyer, proprietor and director of the *Review of Political Sciences*); Dr. Norberto Piñero (Ex-Minister of Finance. Author of the land valuation Act of 1906, which separated land and improvement values in Buenos Aires and the national territories, with the declared object of shifting the taxes from improvements to land values); Dr. Alejandro Ruzo (Legal Councillor to the National Department of Labor, Professor in the Faculty of Law in the University of Buenos Aires, where he is an indefatigable advocate of the Single Tax, and has promoted the topic as a thesis for the Doctorate degree); Dr. Enrique Del Valle Iberlucea (constitutional lawyer; Socialist Senator; Director of University Extension Movement; Professor of History at the University of Buenos Aires; an ardent Georgist); Dr. Teodoro Becie (brilliant young lawyer, whose Doctorate thesis on *Increment Value Taxation* was awarded the Gold Medal, a book repeatedly cited in Congress as an authoritative presentation of the Argentine economic position).

Associated with the League are, at the moment of writing, fourteen Associations: The Syndical Chamber of Commerce; the Argentine Industrial Union; the National Centre of Engineers; the Committee of Commerce of the Provincia of Buenos Aires;

the Master Bakers' Association; the Cart Owners' Union; the Hotel and Restaurant Mutual Association; the Argentine Agrarian Federation; and numerous grocers' associations, the whole representing many hundreds of millions of capital.

Local leagues are springing up all over the country. Already strong and influential ones exist in the cities of La Plata and Cordoba, smaller ones in Rosario, Bahia Blanca, Santa Fe, Realico, San Juan and Junin.

The Argentine has two Socialist parties, one the International, the other the Argentine. Both parties put Land Value Taxation as first plank in their platform, and preach it in their organs *La Vanguardia* and *La Accion*, and in their open-air propaganda.

Many newspapers and journals now devote space to the Single Tax; but the most active, persistent and effective of them all is a weekly, *Mundo Argentino*, of 140,000 circulation. It has made the doctrine of the Single Tax popularly known all over the Argentine, Paraguay and Uruguay. Its Director, Constancio C. Vigil, is a clear-headed, fervent Single Taxer, with a singularly lucid and attractive literary gift.

In the death of the late Argentine president, Dr. Roque Saenz Peña, the Single Tax cause lost a strong friend. His economic faith may be condensed in one remarkable sentence of his:

"I consider the desideratum of a good administration to be the simplification of the tax regime, until the Single Tax is reached, which, resting on the land as the generating trunk of wealth, would leave free the branches of all industries to grow without that pruning by the State, which bleeds twice over the same trunk."

The sentiment that inspires the Argentine Single Tax movement is that expressed by Rivadavia himself:

"South America has said she wishes to be free, and she will be free without a doubt: the effort of a numerous people, the energy of its inhabitants and the political state of Europe substantiate the necessity of this event.

"We shall triumph over the last remnant of our oppressors; yes, we shall triumph. But after having beaten them, there still remains for us the triumph over ourselves. We have still to

destroy the darkness in which we have been involved for more than three centuries; we have still to know what we are, what we have and what we ought to acquire; finally, we have still to shake off the load of prejudices and follies which we received in heritage."

STEPS TOWARD FREE TRADE

The economic science of Europe has lost its prestige. At a moment when Europe is contemplating an economic war to perpetuate the present alienation of its people, the Argentine concludes a Free Trade treaty with its one-time enemy, Paraguay; and its diplomacy is endeavoring to conclude similar treaties with its neighbors, Chile, Bolivia, Brazil and Uruguay, which will mean Free Trade over a territory larger than all Europe.

Parallel with this diplomatic movement for economic emancipation is the campaign of an influential international association, the South American Single Tax Committee (Comite Sudamericano para el Impuesto Unico, Avenida de Mayo 1297, Buenos Aires) which, while including Continental Free Trade in its programme, aims also at Free Production. Dr. Felix Vitale, already mentioned, is President. The local branches are already working in the Argentine, Uruguay, Brazil, Paraguay, Bolivia and Peru.

The methods of this Committee are somewhat different from those of the more popularly constituted Argentine League. It aims almost exclusively to influence university and official circles. In Bolivia, for instance, the leaders of all the political parties are enlisted in the Committee, thus practically removing the reform from party opposition. Perhaps as a consequence of this, an admirable measure applying the Single Tax system to all the Municipalities of the Republic, has recently received the unanimous endorsement of the Parliamentary Reporting Committee. The Report concludes with a sentiment, with which all Georgists will agree:

"Truth to tell, up to now it appears as if the producer who increases the national wealth, investing capital and expending his own energies, is condemned, for that very effort, to pay higher

taxes, when it should be quite the reverse. The State should reward the man who produces two crops where only one was produced before, and relieve of all classes of taxes the man who develops wealth on a greater scale, and only require from him the payment of a tax upon the proportion of land he occupies."

In Peru a very strong local Committee has recently been formed and a measure introduced into Congress on the lines of that of Bolivia.

SINGLE TAX IN BRAZIL

In Brazil the Committee includes a long list of the most eminent men in that country, and great progress is being made. The Single Tax has already been adopted in Nictheroy, the capital of the State of Rio de Janeiro. The Mayor, Dr. Octavio de Souza Carneiro, is a convinced disciple of Henry George, as may be seen from the following extract from his message:

"It appears to me that the fundamental idea, the platform of a great national party, can to-day only be that of the radical reform of our stifling tax regime. This revision must be guided by the principles of the Single Tax of Henry George. This is not the place to expound the fundamental ideas of this doctrine nor to exalt its high social and moral beauty. But even considered only under its exclusively economic aspect, it is admirable. Whereas every other tax is always parasitic and injurious to the constitution of private wealth, the Single Tax upon land values is a stimulating factor in the community's economy, an active agent of the public wealth."

The city of Rio de Janeiro, capital of Brazil, under its new Mayor, Dr. Sodre Acevedo, and with the unanimous vote of the City Council, has undertaken a revaluation of the city land and the serious study of the reform of its revenue system on the lines of the Single Tax.

The city and State of Sao Paulo, Brazil, are agitating simultaneously the reform of their tax system. The city has made a preliminary land valuation to provide the basis for discussion. The State sent a delegate to Buenos Aires to make an exhaustive study of the property valuation and registration methods

employed in Buenos Aires, Cordoba and Uruguay. The report of the delegate Dr. Luis Silveira, confidential secretary of the President, is a very full and complete document. It recommends the Uruguayan system of valuation and advances the conclusion that, on that basis the Single Tax is practicable, beneficial and urgent.

In Uruguay, as is generally known, a pure land value tax now forms a substantial part of the national revenue.

In Paraguay, an accumulative tax on large estates already exists.

It may be as well to state here that all the Argentine provinces and territories already possess a real estate valuation and the municipalities a pretty complete autonomy in taxation. The road is therefore clear for the reform as far as the provinces and municipalities are concerned. The debate is now proceeding as to the constitutionality of a National Land Tax over the whole Republic, *i. e.*, within the autonomous provinces, since in the National Territories and the Federal Capital such a tax already exists, constituting about 2 per cent. of the national revenue.

In the Argentine, the city of Jujuy, capital of the Province of the same name, has this year voted the Single Tax regime. The Province of Cordoba draws over 50% of its revenue from a pure land tax in the rural districts, and now proposes to make application of the same system to its revenues derived from the urban districts.

In the course of his message in support of this reform, the governor, Dr. R. J. Carcano, says:

“The tax on land, apart from improvements and taking into account only its real value, and what it is susceptible of producing, establishing as a fair basis for assessment the different sections or zones in which it is situated, removes the inconveniences above noted, facilitates the collection of revenue, assures equity in the tax and promotes efficiently urban progress and adornment.”—R. B.