

IMPROVEMENT OF THE TREASURY-TAXPAYER RELATIONSHIPS THROUGH MODERN ASSISTANCE, INFORMATION AND EDUCATION

General Sectorial Directorate of Income of Venezuela

INTRODUCTION

Starting in 1986, and as a result of the sudden descent of petroleum income, Venezuela began to look for new sources of revenue. By 1989, according to reports from the International Monetary Fund, the tax pressure from non-petroleum income in Venezuela barely reached 3.4%, that is, the last place throughout the continent. Out of a labor force of seven million Venezuelans, only one million paid taxes, which in percentage terms is less than 20%.

The basic problems of the Venezuelan Tax system are based on the almost absolute dependency on petroleum income which distorts economic decisions and covers up low collection, administrative deficiency and the lack of equity.

Aware that this situation could not be maintained, Venezuela decided to undertake an integral tax reform, in search for a more efficient administration, a simpler normative system, greater equity, to reduce the distortions of economic decisions and, increase and rationalize tax revenues, which would result in a better acceptance of that

time, was exactly the same as that imposed by the Spanish Crown in the Peninsula. It was based on the application of a series of taxes on consumption, collected through enforced procedures by representatives of the King, which many times resulted in the confiscation of the taxpayers' assets.

The following are some of the main taxes applied by the Spanish government for maintaining a balance in the colonial administration: a). "Almojarifazgo", applied to all goods entering or leaving the ports; b). "Quinto Real", applied since 1564 on all gold and slave operations, c). "Derecho de Alcabala", applied on all purchases and sales and amounted to 2% of the operation. Although it had to be obligatorily paid in cash, its payment in-kind was allowed in Venezuela since 1600 and d). "Media Anata" which took away from the employees half of their salary during their first year of work.

This system was maintained with slight variations during the 300 years of Spanish dominion with some attempts at directly taxing the riches of individuals and corporations, although without succeeding in this initiative.

In 1812, the tax organization had many deficiencies and it was common to lease some income to individuals, sell public positions and other malpractices. However, the Government of the First Republic could not introduce substantial reforms because of the difficult circumstances prevailing at that time, and limited itself to eliminate some of the most repudiated taxes and to reduce the rates of others. During the following ten years, the wars of Independence totally eliminated the former colonial organization and the Public Treasury was left without resources for responding to the Government's obligations, for which reason the latter was forced to request loans almost always compulsory and to undertake numerous confiscations of properties belonging to individuals considered as enemies of the Republic.

Dr. José Rafael Revenga, General Secretary of the Liberator wrote, among other things, in the Report submitted to Congress in 1827 that all contributions disappeared prior to being collected, that the Customs offices at the coast were nonproductive and that income from tobacco which previously produced more than 1,200,000 Pesos, now barely reached 300,000. Squandering of Public Finance prevailed at that time, to the extent that the local administrators were considered worst administrators than those of the Spanish Crown.

Following the establishment of the Republic of Colombia, attempts were made at reorganizing public income; the Congress of Cúcuta (1821), abolished taxes on fruits going from one Province to another, the taxes applied on all purchases and sales and other minor taxes. The tobacco monopoly was maintained from the old system, as well as the tax on stamped paper, tithes and contributions and in order not to apply special contributions, an Act dated September 28, 1821 provided for a proportional tax called "direct contribution", the first and short-lived appearance of an income tax in Venezuela.

Between 1825 and 1830 the country's situation became chaotic, the tax administration was terrible, taxpayer requirements continued to increase, there was an alarming squandering in sumptuary expenditures, soldiers submitted large bills for services rendered with a priority nature, which required new confiscations.

In 1860, under the presidency of Manuel Felipe Tovar, a new Act was promulgated for encumbering the income of industries, trades and professions, except farmers and breeders whose income was less than 500 Pesos a year, while public employees were obliged to pay a contribution for a slave abolishment fund.

In 1874 there was such anarchy and disorder that a loan for one and a half million Sterling Pounds was obtained on January 14 of that year, mainly used for the personal enrichment of President Guzmán Blanco and those nearest to him. That year, the external and internal debts amounted to 50 million Pesos which of course created a significant economic malaise, and whose solution was attempted by means of a Resolution on capital flow. In order to amortize the public debt, a credit company and a fiscal institution were established as well as the Agricultural Board for increasing the cultivation of wheat.

In 1881, the Public Treasury's deficit had exceeded one million Bolívares, while exports continued to be affected by the international decrease of prices.

Until 1887, Public Finance continued as primitive as before, administered by individuals and receiving payment orders in little pieces of papers signed by the rulers. The economic crisis which had been affecting the country since 1884, came to an end in 1888, exports increased and accordingly, economic activities also increased. In 1889, Public Finance is better managed due to the implementation of certain control procedures.

In 1890 and 1891 the country enjoyed an increasing economic prosperity and coffee, cocoa and leather exports were the highest known till then. Still Public Finance depended to a great extent on customs duties. At the beginning of 1892, there is a latent political crisis, when the army endeavoured to eliminate the principle of alternation. The armed forces imposed war and economic crisis in the country.

From 1889 to 1935 the country was ruled in an absolutistic manner by two men who came to power through a revolution. The dictatorships of Cipriano Castro (1899-1908) and of Juan Vicente Gómez (1908-1935), had a transforming effect in Venezuelan history, modifying habits of a political, moral and economic nature.

In 1900, national revenues alarmingly decreased to 27 million Bolívares, while the public debt amounted to 189 million Bolívares. Foreign reclamations were intensified.

The German Minister in Caracas requested the payment of amounts in arrears corresponding to the 1816 loan and the following year the governments of Germany, France, England and Italy decided to block Venezuela which brought about very regrettable results. This forced the signing on February 13, 1903 of the Washington protocol, whereby, in order to suspend the blockade, the government committed itself to turn over to the first three abovementioned powers, 30% of customs revenues obtained at the Customs Offices of La Guaira and Puerto Cabello.

Gómez's policy was totally different from that of Castro. He could easily deal with the powerful countries, in such a way that foreign investment capitals would have a special protection, which allowed for changing the country's image.

The economic phenomenon during the long and harsh Gómez government comprises two stages: 1) From 1908 to 1920, when conflicts with foreign companies are solved and agriculture and livestock play an even more important role; 2) starting in 1920, when proceeds from petroleum bring about the Venezuelan transformation that will reach its highest level toward 1945. In 1937 and 1941 Income Tax bills were prepared, although it was not until 1942 when a new bill was submitted to the National Congress which was prepared by an excellent committee of specialists, headed by the Minister of Finance, Dr. Alfredo Machado Hernández. This bill was approved with slight reforms on July 17, 1942 and entered into force on January 1, 1943. On February 2 of that same year, the first regulations on the Act were issued, and through a Decree dated March 16, the General Administration of Income Tax was established shortly thereafter. The bill was subject to violent and contradictory criticisms when published. At times it was said that the Tax was confiscatory and that it would paralyze economic activity in the country; at others, it was believed that due to the latter's poverty, it would not bring about any result and its proceeds would not even be sufficient for paying the administration's expenditures.

CAUSES AFFECTING THE TREASURY-TAXPAYER RELATIONSHIPS

Improvement of the treasury-taxpayer relationships is one of the most important aspects of a modern tax administration. This key factor of the tax relationship must be subjected to an in-depth analysis, within the overall context, in order to determine the causes affecting it; to define the strategies, policies and objectives guiding the interaction; to propose models of organization and systems that will consider the taxpayer as the reason for their existence; and to ensure that with regard to information on human resources, strict emphasis be placed on such values as ethics and vocation of service to the public.

These relationships have been seriously affected by the inadequate functioning of the system in force, which in turn has been detrimental to both factors. One of the main causes hindering the tax relationship is the so-called "Tax Resistance", which has been seriously accentuated in our country, due to dependency on petroleum income, since it prevented the development, among the people, of awareness of the need to contribute toward national public expenditure. This attitude was further strengthened by the poor quality of the service rendered by the Government's organizations and enterprises.

The tax relationship is further hindered by the lack of taxpayer awareness about his duties and rights, provided in the National Constitution, the management of public revenues by the Government and the information which must be provided the taxpayer.

We must highlight the fact that the mistreatment given by the administration to the taxpayer is perhaps the most visible cause affecting the quality of the tax relationship.

An additional element affecting the treasury-taxpayer relationship is the complexity and difficulty of procedures implemented by the tax administration.

At times, laws are a factor influencing this problem, inasmuch as their application is inoperative. That is, laws are conceived in such a way that their application is impractical, likewise, personalistic and wilful criteria when interpreting regulations, further complicate the procedure.

The problem of congestion of Venezuela's tax administration is such, that it concentrates in the capital region, seventy five per cent (75%) of total income tax collection. In 1989, the Capital Region's Administration (Federal District and the State of Miranda) received 44.8% of total corporate and 39.2% of individual returns.

Ninety per cent of national collection originates from corporations and according to data from the Central Bank of Venezuela, 2,944 corporations represent 80% of declared revenues. Now, this vast universe of the Capital Region was handled by 948 officials or, 27% of the total staff of the General Sectorial Directorate of Income. This shows that it is impossible to provide adequate taxpayer assistance. In the case of the capital region, a high regional concentration is observed, which causes a significant negative impact on the Tax Administration's functioning.

The services provided in the Capital Region are deficient, operations are carried out in a single building, which is inoperative since it piles and promotes the

formation of long lines, an example of this being the long waiting period for obtaining the clearance certificate. This environment also prevents adequate taxpayer assistance and on the contrary, favors the breakdown of the Administrative System and promotes inoperability, since the interested party, in order to save time and be better assisted, pays for a simple procedure which legally does not require a monetary compensation. A logical consequence of the above is Tax Fraud.

The disorganization of the Venezuelan tax system is such that it leads to and promotes immorality, since the official himself combines his low motivation and lack of tax consciousness with the fragility of the established controls.

The figure of the "agent" has arisen in the tax administrations. The latter is an important character in the treasury-taxpayer relationships, an intermediary in this taxation chain. The agency in Venezuela has caused ravages in our administrations, its proliferation continues to increase, and to the extent the taxpayer faces all the aforementioned obstacles, the latter arises as the "joker" of the game, thus establishing a relationship with the administration.

Many times, they are uneducated citizens lacking tax training for carrying out procedures and on occasions, they affect the taxpayer's economic interests inasmuch as they demand high sums in exchange for their services, tend to falsify or adulterate documents for their own benefit and on many occasions urge the official to commit violations.

The taxpayer or interested party resorts to this individual, claiming that he is not well attended and does not receive the corresponding assistance and because he lacks the time and patience for remaining for hours at the different tax offices. The figure of the agency in Venezuela, although increasing due to government inefficiency is extremely deteriorated, since it has been shown that it affects the interests of the National Treasury as well as of the taxpayer.

The Venezuelan Tax Administration has never been particularly known for fully and consistently informing the taxpayer, nor for affording the latter a kind and courteous treatment; both elements are combined to prevent the harmony that should actually exist.

The sanctions established in the tax laws for penalizing violations by the taxpayer are extremely benign, accordingly they are not observed and lead to resistance and promote tax evasion.

The human resource available at the Ministry of Finance shows serious deficiencies to face the current challenge of the Tax Reform, since it is not well paid, underutilized, outdated and in many instances not adequately located, nor well directed and insufficiently trained.

It is evident that neither the compensation policy or the existence of the administrative career path allows for maintaining key staff and much less for attracting qualified professionals from the labor market. The levels of compensation have lost significance and competitiveness vis-a-vis the salaries paid in the private sector. The average salary of the staff at the General Sectorial Directorate of Income is less than half of that of the private sector. The way of filling vacancies does not guarantee the professional level either. Promotions are not based on a selection and contest system. It is worth mentioning that approximately sixty per cent (60%) of the tax staff compensates study requirements with time of service.

Even though there are sufficient positions for auditors, relatively few devote themselves to typical tax control tasks. Also, there is no incentives system for rewarding exceptional performance based on individual merits. Disciplinary procedures are slow and ineffective and sanctions applied are not in keeping, in most cases, with the seriousness of the offense.

For all of the abovementioned reasons, officials are unmotivated, they themselves lack information and supervision and have no incentives of any kind. Then, to what extent can one expect a satisfactory collaboration from them? Much to the contrary, on many occasions they become indulgent and promote corruption.

The systems and procedures are not very reliable, and because of their complexity, obsolescence or inexistence, they result in inadequate taxpayer assistance. The latter, in turn, on seeing that he is not assisted, ever more loses credibility in the control of the different administrations, thus increasing his evasive behavior vis-a-vis his tax obligations.

On many occasions, legal support tasks have also been abandoned. Although there are divisions involved with doctrine, jurisprudence and legal regulations, there are no clear or precise instructions for unifying the interpretation of regulations at the administrative level, nor is there a retroactive analysis of the Finance Administrations for arriving at relevant pronouncements for correcting errors and thus unifying criteria among them at the level of interpretation. Thus, the administration is incapable of providing the public adequate information.

Tax payer assistance is practically nonexistent, left to its own fate, without any support and very little counseling, while the administration limits itself to the issuance of forms, without structuring any adequate diffusion policy. Administrative procedures for taxpayer assistance lack managerial criteria applicable to such action. For example: there is no differentiated treatment for taxpayers, in accordance with their size and tax payment capability. Staff distribution is structured in such a way that it does not respond to the importance of technical tasks.

CONCLUSIONS

The diagnosis of the causes affecting the treasury-taxpayer relationship must be complemented with the formulation of some strategies and policies that may guide and lead toward a harmonious relationship. For example:

- Place the taxpayer as the center of the relationship.
- Reconsider the number and quality of taxes.
- Simplify procedures and tax management.
- Lay the bases for taxpayer awareness.
- Undertake diffusion campaigns.
- Train human resources under strict ethical and public service criteria.

It is necessary to redefine the organization, systems and procedures according to which functions are carried out. In this sense, it is convenient to point out that one must count on a flexible, coherent organizational structure, which may be adapted to the taxpayer's requirements; activities and functions must be decentralized; satellite offices should be established; levels of approval must be determined; the taxpayer counseling offices must be strengthened; systems and procedures must be speeded up, while paperwork and administrative procedures must be simplified.

To improve taxpayer assistance and attention, offices would be established, with staff specialized on the subject, that would be in charge of counseling and assisting taxpayers. These offices should be provided with equipment, manuals, guides and qualified human resources, such as attorneys, public accountants, economists and auditors.

On the other hand, measures must be taken for improving direct taxpayer assistance to avoid intermediaries, who given their low level of education, affect, as already stated, the treasury-taxpayer relationships.

The tax administration must handle the treasury-taxpayer interaction and can only expect results to the extent the taxpayers have sufficient knowledge, information and awareness of the pursued objective.

Administrations must establish policies aimed at the periodic publication of newsletters with summaries of Court judgments on the subject, compile all the doctrine and jurisprudence originating from the administration and make all this information available to the taxpayer at an adequate price, or gratuitously when possible.

The Ministry of Finance undertakes advertising campaigns in mass media for creating citizen awareness as well as informing them on the tax subject. The following suggestions are considered of great help:

- Systematic publications in newsletters, newspapers, etc. with all the information considered relevant.
- Design "service guides for the public" by indicating the service and identifying its objective.
- Undertake advertising campaigns in mass media for creating awareness. The Ministry of Finance of Venezuela already began this task and to this end, it hired advertising agencies for developing the strategies of the campaign. These agencies are counseled by experts on the subject. Also, the General Sectorial Directorate of Income renewed the publication of the Newsletter, which compiles judgments, doctrine and jurisprudence, that will be of very valuable assistance for officials as well as professionals dealing with the subject (attorneys, economists, administrators, public accountants, technicians and fiscal science specialists).

It is necessary to undertake an urgent tax education and awareness task in the sense that the Government requires the fair and proportional economic contribution from all citizens, that is, those whose fortunes allow them to incur in high sumptuary expenditures as well as those modest savers. The educational aspect must be focused on the basis of adequate instruction that may lead to tax education in keeping with the conception of the tax phenomenon, in a state of law, abreast of our present times, which must be maintained not only at the family level, but also at the school and university levels and in general, in all centers in which in addition to informing, citizens may also be trained.

Such education is not only limited to taxpayers, who are all the citizens of each country, but also comprises the public officials in charge of missions related to the public income and expenditure activity and, of course, the nonstate entities and not only the tax sectors, but all political sectors of the country.

Tax education will allow for changing the mentality in such a way that rather than believing that committing fraud is a virtue and a merit, one will come to understand, as occurs in industrialized countries, that he who persistently commits fraud, who adopts the attitude of permanent defiance, is not worthy of being admitted in society. It must not be forgotten that the level of seriousness with which public authorities deal with the tax phenomenon significantly influences the behavior of the whole community in relation to taxes, since it creates modes and habits that shape and delimit the collective environment that becomes manifest in each country's tax mentality.

Countries where resistance to tax still prevails are immersed, from the tax standpoint, in a state of inferior civilization to that of the people where such mentality is not evident.

In sum, the change from reluctance to pay taxes to another mentality in keeping with our times calls for acting directly on the causes dealing with the problem, for which attention would have to be centered on a legal-financial order, in accordance with justice and equity, which would in turn imply the adequate performance of public functions by governing entities, and tax education in accordance with the conception of the tax phenomenon in a State of Law.

Thus, citizen education should begin from childhood, governments should develop educational plans, by establishing a liaison between the Ministry of Finance and the Ministry of Education, where this subject would be included in the study plans, at the basic as well as upper levels, to thus familiarize youth with the tax world, and promote tax consciousness, responsibility and basic or introductory knowledge on this subject.

Another means would be the preparation of micro-programs, for example, comics projected to schools, lyceums, universities, community centers, working centers, neighbor associations, etc., that may also be diffused through audiovisual aids.

In relation to this aspect, we have attached to this paper a beautiful story that may promote tax consciousness.

The unavoidable need to rationalize the entire tax structure and public finance, as well as to improve and increase treasury-taxpayer relationships, called for an integral process for reforming the Venezuelan tax system. This involves four changes, namely: a) internal reform of the Ministry of Finance, b) new legislation, c) modernization of tax management and d) development of regional and local public finance offices. These changes are based on the government's right to make use of the resources of all

Venezuelans, individuals and corporations, for supporting public expenditure. In this sense, the hope is that the reform will endeavour for equal sharing of public expenditure by petroleum income and tax revenues. Now then, since the macroeconomic adjustment process was begun, the Ministry of Finance of Venezuela has worked in designing a tax reform that may allow for modifying distortions of the current tax system.

For this reason, with the assistance of the International Monetary Fund, the Income Tax Act and Organic Tax Code are being amended and a general sales tax on goods and the rendering of services is established. Nevertheless, for the success of the tax reform program a necessary condition is that the Venezuelan tax administration may change its structural and functional aspects, as well as its systems for carrying out this modernization effort.

The experts working in the tax reform at the Ministry of Finance are aware and bear in mind the premise that no mere technological strategy will by itself provide high productivity. It must necessarily be combined with other measures, such as development and training from the administrative as well as normative standpoint of the staff currently available at the Ministry, since a new administrative organization, systems and procedures are of no greater use if there is not an adequate staff for handling them. Therefore, the Ministry's human resources must be renewed and specialized for adapting them to the new systems to be implemented. The human factor is an essential element for improving and increasing tax collection.

The staff must be specialized, intensively trained in tax legislation as well as personnel development subjects such as: human relations, dealing with the public and certain notions of pedagogy for in turn training the taxpayers in the multiplicity of procedures that they must undertake at the tax administrations. This reform aims to eliminate the well-established habit of not paying taxes and substitute it with a conscientious citizen participation in public finance, which will establish better responsibility, claims, service and efficiency relationships between the population and the public official.

The strategies seek to reestablish the administration-taxpayer liaison, by strengthening in practice the Tax Administration operation. It also anticipates, within a short term, to strengthen the image of the tax administration vis-a-vis the control of evasion.

The primary goal is that the taxpayer will have a clear understanding of his tax duties, as well as the policies and procedures for increasing voluntary compliance with his obligations.

ANNEX

THE REALITY OF A BRIEF STORY

Dedicated to:

- the students;
- the youth of any age and;
- those who dream with a better world.

By: RAMON A. DONIS

One day, already lost in the obscurity of time, a large interstellar ship full of beings with different levels of mental and spiritual evolution, undertook the difficult task of exploring a small portion of the cosmos. For many centuries, or perhaps milleniums, the ship explored our galaxy (the Milky Way) until a serious mechanical damage forced these explorers to abandon the ship by using tens of livesaving rockets. When abandoning the main ship, the crewmen and passengers selected among themselves those who were more evolved to travel in the same spacecraft. The same procedure was used by those of medium development and those least evolved.

Centuries later, it was known that the group of most physically, mentally and spiritually evolved beings took possession of an abandoned heavenly body of a galaxy not previously inhabited by material beings.

Without any planning or legal regulations, they in fact, developed their lives by complementing each other in the economic, moral, social and spiritual aspects. They managed to create (or reconstruct) an ideal world without exploiters or exploited people, without ravenous hunger, without abandoned children or forgotten or humiliated elderly people, without racial or social discrimination, without envy or hatred, without oppressed people or oppressors, without poor, despised or invalid people. In sum, without suffering!

They all had equal rights and reciprocal obligations as well as a common objective: full satisfaction of their needs and those of others in a practical, timely and conscientious manner. This was all the result of a wisely developed state of collective conscientiousness.

The heavenly body that served as home for this group of beings coming from somewhere in space was like a generous and intelligent mother which provided everything to this settlers. They themselves produced whatever was missing, and complemented each other to turn that luminous space body into a real Paradise.

The Almighty, in his capacity as great Architect, spiritually made them to his own image and likeness giving them life and inspiration, which at the same time allowed such privileged inhabitants to be every day better among themselves, toward the motherly heavenly body and the rest of the cosmic universe.

The Master Plan in this space body was so well developed by its settlers, that there were almost no illnesses; theft, irresponsibility, murder or any other crime were unknown. There was no environmental pollution, and foreign debt and stress were also unknown. There were no jails, soldiers, auditors or policemen. Everything developed in great peace, harmony, good interpersonal communications and enthusiasm. Its inhabitants radiated calmness, wisdom and much love from their hearts. They called themselves brothers and they treated and felt themselves as such. This luminous spot in space was given the name of "CONSTANCY".

But, was the situation the same in the other celestial bodies occupied by the descendants of their former fellow beings? No. It was determined that the economic, political and social development achieved by them in other systems was very different and regrettable, depending on the level of spiritual evolution of their inhabitants.

It was also determined that in a galaxy far removed from "CONSTANCY", there was a planet called "EARTH", occupied by agents who were not so evolved as those already mentioned, but nevertheless, interested and desirous of becoming like those of "CONSTANCY".

The earth inhabitants, after many centuries and numberless difficulties, managed to organize themselves into countries with the firm purpose of becoming free and independent states and providing their settlers in general the highest possible level of happiness....

But the very nature of its settlers was opposed to the successful achievement of this objective. They were strongly dominated by inertia, lack of culture, fear, ignorance, selfishness, wickedness and all other low instincts that were common to their level of spiritual development. However, they had already managed to design and implement highly sophisticated tax systems that allowed them to obtain considerable revenue for, at least, satisfying or trying to satisfy such primary needs as decent food, clothing, housing and recreation.

This is how direct and indirect taxes originated, as well as the special rates and contributions. In this planet (EARTH) significant importance was attributed to a tax called "Income Tax" by its settlers. The purpose of this tax was and continues to be to achieve a better distribution of riches obtained by the earth settlers. The tax consists of a contribution from part of the annual income obtained by each individual. The idea is that those who earn more money, pay more tax to the Treasury and those who earn less, pay less or nothing. The truth is that all should contribute, although it were very little...

The same system was applied and continues to be applied to corporations and their affiliates, such as limited liability corporations. In the planet EARTH, this is one of the many ways of obtaining income that will be used to build schools, universities, highways, railroads, purchase weapons, munitions, pay the external foreign debt, and numerous Government police bodies and public officials. Of course, the countries of the planet Earth have to satisfy many other needs of their own citizens, as well as those of their brotherly or neighboring countries. A brief analysis of the live of earth settlers shows us that they are their own victims due to their lack of perception, unconsciousness and little will.

In this planet, much effort and money are lost due to constant wars and guerrillas, the necessary struggle against drug trafficking and consumption which are so dangerous to psycho-physical health, environmental decontamination, terrorism, administrative corruption, the indiscriminate destruction of forests and the cure or treatment of such diseases as AIDS, cancer, addiction to smoking and alcoholism. The nuclear war is a constant threat on the Planet. There, a large mass of settlers want to make money the easy way, thus ignoring morals, ethics and good habits.

The problem with the current inhabitants of the planet Earth is essentially one of moral and ethical nature, derived mainly from their low level of consciousness, which only slow evolution could overcome.

In spite of this, the countries of the globe continue to operate. The inhabitants have no other way out but to count on their men. One day the planet will be guided by the best, by men of goodwill; antisocials will no longer be allowed in key political and social positions.

The earth settlers are convinced that in this stage of their collective development, taxes are essential and for this well justified reason, some countries collect taxes on income, inheritances, cigarettes and liquors; fees are paid for such services as mail, telephone, telegraph, water, sanitation, etc., etc. Some countries have established taxes that are determined on the basis of the potential productive value of the land, taxes on the net worth of individuals and corporations, tax on the import of goods and services, etc.

Earth settlers consider that it is fair to apply income tax in the most developed countries.

However, some experts believe that the best and more productive tax is that estimated on the aggregate value of goods and services considered of a sumptuary nature (VAT)...

Of course, there is little use to the establishment of taxes by a country, if citizens do not pay them or only pay part thereof; or if the tax administration does not operate well or if controls are not satisfactorily applied. It is believed that the effort of each earth settler should be centered on fully and timely complying with his tax and legal obligations in general, while at the same time supervising and demanding the honest and wise administration of taxes by authorities at all levels.

It is believed that a country which fully and decently satisfies its material needs, is better capable of achieving high levels of consciousness and spirituality.

In this regard, the version of the visit to the planet Earth of beings from the heavenly body called "CONSTANCY" has been confirmed. It is known that they are interested in contributing to the material and spiritual development of the earth settlers. One does not discard the possibility that within a few years "CONSTANCY" may also be visited by inhabitants of the Earth. After all, it will be a brotherly visit.

It is believed that only justice and equity, unity, peace and understanding and solidarity among the men of the Earth, will make a reality of the aspiration of the brothers from "CONSTANCY", thus developing a new race with higher levels of consciousness and happiness.

Another step will be to come every day nearer to the Creator, who awaits us at the same place or source of creation of life.