

ments; and at the same time, each contributes according to his means, as contrasted with the sacrifice which is involved in the payments of regressive taxes. The great land-holders collaborate in proportion to their economic capacity to the work of building up solidarity and social justice, which is being realized in many forms by the State."

As inevitably happens in connection with all such fundamental reforms, the large land-holders are agitating for the modification of the rate of taxation and are carrying on a systematic campaign against the new legislation. These wealthy proprietors, who fall within the highest classes of the progressive tax, comprise only some 300 taxpayers out of a total of 287,000 landed proprietors registered for tax purposes in the Province.

The Supreme Court of the Nation has repeatedly declared that the principle of equality as the basis of taxation and of public burdens must be harmonized with the realization that this equality can be effected only among those of the same condition; and that it is good public policy to let the weight of taxation fall upon those who are the least distressed by it. Jeze has phrased it thus: "The economic capacity of an individual does not vary proportionately to his income or his fortune, but progressively."

PUBLIC DEBT REDUCED AND PUBLIC WORKS INCREASED

The public debt of the Province, which up to May 16, 1936, had risen to 75,334,532 pesos, amounted to 70,721,086 pesos on January 31, 1940—a reduction of 4,613,446 pesos; to which can be added 12½ millions paid out for debt service. The public debt has been reduced, but no new bonds have been issued, and yet great public works have been constructed.

An integrated system of public water supply has been completed. Throughout the Province, school and administrative buildings have been constructed. There were also established school dining rooms; more than 600 offices were built for teachers; the pay of the teaching personnel was raised and bonuses provided for teachers; the Sanitary Station of Noroeste was established, as was the Textile Trade School; the President Roca School was enlarged; the subsidies to hospitals were increased; and an appropriation was given the office of the General Director of Revenues for mechanical equipment which assured the rapidity and exactness of its operations, permitting the complete drawing up of the poll of taxpayers, and facilitating the calculation, currently and exactly, of the estimate of the revenues.

The above-mentioned public works and many others, such as the creation of the office of the General Director of Waterways and Waterworks, the organization of a symphony orchestra, and the establishment of the Saenz Pena Department, has raised the budget to more than 34 million pesos, surpassing by about 7 millions the initial budget of the present administration. However, in all the budget periods, as has been pointed out, the operations ended with surpluses.

The Latin American Crisis

By ROGELIO CASAS CADILLA

UP to the first World War, the South American countries administered themselves under simple formulas. Immigration laws were scarcely known, and the customs-house were tolerant. The states could be developed more or less freely. Argentina and Brazil, to which most of the emigrant repaired, received the greatest benefit from the enormous human resources which arrived on their shores. The cities were populated rapidly, and the vitality of these countries was invigorated. Wealth circulated in abundance. In general South America was making rapid progress.

The post-war crisis produced a great economic reversal. Prices of goods fell. The budgets of the governments were not reduced. The great landed proprietors accepted only small increases in taxes (in proportion to the benefits they received), and all the countries fell into the fatal error of imposing higher customs duties on imported goods. This course eventually led to poverty and catastrophe. Each day saw higher duties heaped upon necessities. A new privilege was born, called "home industry." And with it was also born another form of privilege, the combinations of working men.

Today all South America is burdened with restrictive laws. Its nations oppose the import of goods. They also forbid the entry of persons, which results in a further diminution of wealth. Ships no longer go to their ports, because people and goods may not enter through them. With the reduction of commerce, freight rates have increased, and the little trade that remains is not worth mentioning. On the whole, the South American economy presents a desolate aspect. At the wharves there are almost no shipments to be seen. The governments have tampered with their monetary systems. The apprehension that the government will devalue the currency and suppress the natural workings of the market has caused a tremendous destruction of wealth. Although all these governmental restrictions may seem to be born of necessity, they run counter to economic laws, and thus bring disaster to the economy of the nations.

There is only one way open to the South American countries to sustain and renew themselves: To return to the natural law, and permit people to enter their territories freely; to permit the free entry of goods; to permit competition to exist, so that prices will be lower and wealth accessible; and finally, to collect taxes only from the ownership of land and public services, that is, the profits of privilege. This is the only course to follow to establish liberty and justice.

At the head of the government of the United States there are some men, such as Cordell Hull and Sumner Welles, who understand the problem of trade. With their cooperation South America has a splendid opportunity to solve some of her difficulties in the new and more dangerous crisis created by the second World War. Her economic life and sovereign liberty are being threatened. Will she heed the warning?