

great work accomplished here by Mr. Pastoriza? It is this: Waste no time or energy in organizing or training with a new party, or even running for office on a pure Singletax issue. If a Singletaxer sincerely wants an office for the good he can do if elected, let him run for it in the primaries of one of the existing parties, whose platform most nearly conforms to his views on pending issues. Other things being equal, the fact of his being an avowed singletaxer will prove no handicap. In nine cases out of ten it will be a vote-catching asset. Avowed singletaxers in considerable numbers are already members of both houses of Congress, and this will soon be the case as to more and more of them. And especially as opportunity offers, put men in control of the taxing machinery of government, whether singletaxers or not, who favor the Houston plan and who are likely to exercise some of the force and shrewdness of a Pastoriza in putting it into operation.

H. F. RING.



### SOUTH AMERICAN FINANCE.

Buenos Aires, Argentina, December 14.\*

Things down here continue to wear a very sombre hue. The crop losses round Bahia Blanca are reported to be complete and very extensive. The *Prensa*, one of the largest papers in the country, estimates the acreage lost at 1,250,000 from drought, while there must be a further million acres destroyed by floods in the central south of the Province of Buenos Aires.

In the rest of the wheat area things look very promising, although the persistent rains are doing damage, as rust is appearing in some places.

Financially things are in queer street. The recently published balances of the banks show that 14 banks have had, during the past six months to face a shrinkage in their deposits amounting to over \$71,000,000.

The list makes interesting reading:

	Shrinkage in deposits.	Per cent of deposits held March 31, 1913.
Banco Español.....	\$22,743,000	9.9
Banco Galicia.....	13,006,000	45.6
Province of B. A. (Banco).....	11,765,000	7.9
Frances del Rio Plata.....	4,910,000	5.5
London & River Plata.....	4,807,000	2.9
Transatlantico Aleman.....	3,969,000	6.4
Italia & Rio de la Plata.....	2,685,000	2.6
Popular Argentino.....	1,809,000	2.5
London & Brazil.....	1,368,000	7.4
Comercio.....	1,357,000	23.6
British Bank of S. A.....	1,235,000	2.2
New Italian Bank.....	1,943,000	2.5
French & Italian Bank.....	558,000	11.1
Bank of Castile & R. P.....	128,000	8.3
Bank of Spain & America.....	70,000	8.1

Two of the above institutions are at present very much in evidence on the Bolsa or Exchange. The shares of the Galicia have dropped very heavily, but during the last few days have recovered somewhat.

\*See Public of August 22, 1913, page 797.

The shares of the Comercio are also being made a gambling counter, by both the bulls and the bears. However, apart from this the position of the Banco de Galicia calls for more than passing consideration. A shrinkage of deposits of 45.6 per cent in six months must affect the institution very seriously, while the terrific losses that have been disclosed in some of the bankruptcies has not enhanced the public opinion of the way this institution is handled by its directors. Whether withdrawals will continue or not remains to be seen; but if public confidence is not restored, and the drain continues, the Galicia will, inside of another eight or nine months, be reduced to trading on its own capital.

The Comercio is only a small tin pot institution; but in the face of heavy failures it has managed to pay out 23.6 per cent of its deposits, and at the same time to increase its cash reserve in relation to deposits held from 14 per cent to 30 per cent. Not at all a bad performance, but as yet it is impossible to say at what cost this improvement has been effected.

In Uruguay things continue very quiet. Those advocating singletax continue very active, especially Drs. Herrera and Vitale.

In Brazil\* the declaration of the Governor of Rio Grande do Sul—the most southerly state of Brazil—in favor of singletax has created a considerable flutter in some circles. The declaration of Dr. Borges de Medeiros is very clear and concise, and his message to the Assembly of his state makes very good reading for those who have been advocating industrial freedom for years past. Since 1903 the State of Rio Grande has been gradually increasing the land values tax. In that year it produced only \$996,443, rising steadily year by year until in 1912 it produced \$2,125,099. In presenting the reforms entailed by separating the improvements from the value of the land, Dr. Borges de Medeiros says in his address to the Congress:

On this point I have now to deal with the only question that is debatable and opposed by some, in the extension of this tax [land values tax]. Should the improvements be included in the taxable value or should they be excluded? When I had the honor to present to this Honorable Assembly in 1892, the estimates for that year, I put forward considerations that today I must refer to—and in referring to them I find that I must advocate their repeal. In that message I said: "The valuation of the rural land for taxation has to be considered from four points of view: (1) The land as it was—in its natural state; (2) the permanent improvements; (3) the capital invested in stock, and (4) the labor of the proprietor."

Now I am convinced that this statement of the case from a valuation standpoint is neither equitable nor just. We must separate the selling value of the property from its improvements of whatever sort, and exclude those from the operation of the tax. . . . You will note the world over a general movement in favor of reducing all taxation that falls on Capital and Labor—it being easily demonstrable that the former should receive a better remuneration, and the latter be allowed to employ itself without being subject to taxation [a reference evidently to the business taxes or patentes that exist in Brazil and this country.]

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\*See Public of December 12, 1913, page 1185.