she is disinclined to continue the war, it may become her policy to invite a new enemy into the field. In such a case the government might believe that the addition of America to Germany's foes would not only excuse her defeat but soften the terms of peace, since the United States would be the least vindictive of Germany's enemies and the one most likely to protect her. If through misapprehension or despair Germany adopts an uncompromising attitude, there can be no favorable issue to the controversy.

It is not possible at this writing to forecast how far Germany will yield. There are indications, however, that a section of public opinion in Germany, as in Sweden, is opposed to the drowning of non-combatants. Germany's reply is likely to be in tone at least friendly, and may concede America's case in minor matters. Submarine activity has temporarily ceased. In the Cushing and Gulflight cases reparation will be offered, while in the Lusitania and Falaba cases counter propositions will be made which will broaden the issue and hold open the door to further negotiation.

There are several points in the American note which make such a broadening of the discussion probable. President Wilson has not limited himself to the demand that American lives be protected, but has specified the means to assure such protection, the cessation of illegal submarine warfare against merchant vessels. Germany may raise the question whether America has the right to deprive her of her sole remaining naval weapon. She may protest that vessels which have been instructed by their government to ram submarines have in reality something of a belligerent character and have sacrificed the immunity possessed by unresisting merchant vessels. She may demand that American passengers be excluded from boats carrying absolute contraband. She may ask that the United States, which is to-day defending against Germany the rights of neutrals and non-combatants, defend those rights also against Great Britain. President Wilson has stated that the government of Germany has always stood for the principle of "the sacred freedom of the seas," and has intimated that the government of the United States is in agreement with the Imperial government on this point. But according to Germany this freedom is absolutely impossible so long as England fails to concede the right of private property at sea, while the irregular blockade of Germany by British vessels is not only an unjustified limitation of the rights of neutrals but is an unqualified negation of all maritime freedom. Both morally and legally the whole question of what is "the sacred freedom of the seas," of what are the rights of non-combatants and neutrals, is infinitely tangled, and it is into these mazes that Mr. Wilson's note invites the German government to enter.

It is not probable and perhaps not desirable that America will escape the discussion of these questions and the taking of action based upon its decision. In the meantime we should not permit such discussion to divert us from our immediate purpose. A hundred American citizens lost their lives on the Lusitania, and it is intolerable that this atrocity should be repeated. We cannot afford to bargain with Germany for the safety of our citizens. We are willing to enter into the broader question and maintain our position against England, but no redress offered to us by Germany must be conditioned upon any such action.

Pan-American Finance

ON the twenty-fourth of May the first Pan-American Financial Conference will be convened at Washington under the presidency of the Secretary of the Treasury. Representatives of nineteen American republics, including the United States, will participate in its discussions, which will deal with government finance, commercial credits and transportation. Whatever it may or may not accomplish, the conference, merely by bringing the delegates together for an interchange of views, cannot fail to facilitate the ultimate solution of trade problems. Previous Pan-American gatherings have been concerned with political, legal or scientific rather than financial or commercial questions. The propaganda for some years conducted by the Pan-American Union has painted in glowing colors the business opportunities to be found in Central and South America. The Departments of State and Commerce have done a valuable work in publishing the reports of consular and diplomatic officers and special investigators sent to study South and Central American conditions. This information has been widely distributed. The Monroe Doctrine, moreover, although its inception may not be generally understood or its responsibilities very clearly appreciated, has often been regarded as giving to American bankers, merchants and manufacturers some sort of a special lien on the opportunities of South American trade. The work of promotion has been well done. It is not surprising, therefore, that when all Europe rushed into war there should have been a wave of enthusiasm over the possibilities of extending American interests in Latin-America, and of furnishing the goods which Great Britain and Germany would no longer be able to export.

During recent years we have annually imported from South America goods to the value of from $100,000,000 to $150,000,000 in excess of our

exports to that region. Our business with Buenos Aires, Santiago and Rio Janeiro, however, has been financed principally through sterling credits. The funds which we thus sent to London to meet our debts to South America were utilized either to pay interest due on South American borrowings in London, or to purchase manufactured goods in Great Britain or in Germany. This credit machinery was disorganized by the outbreak of the war. Moratoria were declared by Great Britain and by the various South American governments, and for a time it seemed that our problem was not that of capturing British and German commerce with Latin-America, but that of financing and thus retaining the trade which we already had. Our merchants and manufacturers interested in South American trade at once endeavored to develop a market for "dollar exchange," through which our exports might be increased to a point where they would approximately pay for our imports from Latin-America.

Fortunately when the crisis came the Federal Reserve act was in force. Under its provisions the National City Bank was encouraged to expedite the establishment of branches in the Argentine and in Brazil. Following the opening of the new Federal Reserve banks on November sixteenth last, regulations were issued governing the acceptance and rediscount of bills of exchange. As this financial mechanism has been developed, South American buyers have more and more turned to the United States for articles no longer obtainable in Europe, and American manufacturers who before found it difficult to secure a fair trial for their wares are now introducing them into these markets.

The South American republics at the present time, however, are much more interested in obtaining loans in this country than they are in purchasing our goods. To establish trade with Latin-America on a permanent basis, we must do as Great Britain has done; we must finance those whom we wish to secure as our regular customers. Commercial credits are arranged by bankers to facilitate the distribution of goods in the ordinary course of trade. They may be granted for three, six, nine months or even a year. But where the borrower requires a longer period in which to make repayment in full in order to utilize his funds in development work the enterprise must be financed not by borrowing from the banks or bankers, but by issuing stocks or bonds to be sold by the bankers to the investing public. European capital for some time to come will be unavailable for such purposes and if we ourselves can step into the breach, we may well hope to become most important factors in these markets.

Three Argentine loans have already been issued in New York. American packers have large establishments in Buenos Aires and Montevideo, and in Chile there is a very considerable American investment in copper and iron mines. We are the largest individual purchaser of Brazilian coffee, and our merchants dominate Central American trade. We still hear that South America distrusts our intentions, fearing that the United States may attempt to hide political aggression under the cloak of the Monroe Doctrine. Since we well know that in so far as we have a national policy it is opposed to rather than in favor of such extension of our responsibility overseas, this suspicion to us seems so unwarranted as to be fantastic. If our commercial relations had been more intimate our diplomacy might have been better understood. When our clipper ships were rounding Cape Horn we were in many ways more intimately associated with South America than we are to-day. At that time we were what after a period of incubation we have again become, a manufacturing and exporting nation. For the past fifty years we have been in much the same situation as our sister republics. We have been importers of capital and manufactured goods, and exporters of raw material. But our development has proceeded more rapidly than theirs, and we must now sell our manufactured goods abroad, and import raw products for our own consumption. We are increasingly prepared to invest in foreign securities. There is a splendid opportunity for the mutually profitable extension of our relations with Central and South America. The Pan-American Financial Conference is therefore timely and should be fruitful of results if it serves to show the concrete possibilities of greater intimacy. It may contribute greatly toward the creation of a Pan-Americanism that will be practical and really effective as distinct from the after-dinner variety.

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Organization of the Courts

THE lay press, no less than the annual reports of Bar Associations, attest that a democracy as well as a King John may delay justice. Of the law's delays several causes are curable, and therefore intolerable, if we have the vision to see the cost entailed in an inadequate administration of justice, and the will, the imagination and the patience to apply measures of correction. The time is now ripe and hopeful for these correctives, for the best thought of the profession is alive to the causes of dissatisfaction and in fair agreement as to means of meeting them. Some of the causes go very deep indeed into the whole question of American education; they involve not merely the professional training of the bar, but the method and scope of undergraduate education. The responsibility for this condition is by no means to be laid to lawyers. On the other hand, certain causes for delay are of a professional character which it is the duty of the legal profession itself to rectify. One of the chief of these causes is the lack of efficient organization of the courts—a condition peculiarly wasteful because the way out is clear on principle, and has been confirmed by the experience of enlightened communities.

The administration of justice is a business, a very technical and complex business, and proper organization is essential to its efficiency. Yet in most of our states there has been no effort to organize the courts. The judicial establishment is generally the survival, or casual extension, of a system well enough adapted to the needs of a pioneer or rural society, but ill-fitted to the demands of increasingly complex communities. New York State reflects this prevalent American type of an outworn judicial system. Therefore one of the most important matters before the New York Constitutional Convention is the revision of the Judiciary Article of the New York Constitution—in other words, the devising of a modern organization of the courts of that state.

Judicial organization in Colonial days and under the first Constitution of 1777 was simple and adequate to the needs of that time—suitable, that is, for a small and dominantly agricultural society, consisting of small communities sparsely settled and widely separated. As population grew and business increased, the judicial establishment became more complex. Courts were multiplied; but instead of being related and coordinated to form a single system they were made detached local courts and became increasingly decentralized. Jurisdictional rigidity impeded the administration of justice. A step toward unification was taken when the separate Court of Chancery was abolished and its jurisdiction transferred to the Supreme Court. Another step was taken when, by the Constitution of 1895, various autonomous inferior tribunals were abolished and their jurisdiction transferred to the Supreme Court. These reforms accomplished something, but not much.

The existing system of New York State consists of a Court of Appeals, a Supreme Court, an Appellate Division of the Supreme Court, County Courts and Surrogates' Courts. The Constitution further provides for Courts of Special Sessions, for justices of the peace, and the establishment by the legislature of civil and criminal courts with limited jurisdiction. There are other courts, not enumerated in the Constitution. This system works poorly because of defects in the structure itself, wholly apart from its personnel. The existing constitutional provisions rigidly create separate courts for the judicial business of the state, instead of allowing a flexible use of the different courts. There is also the waste of duplication that results from conferring on different courts jurisdiction over the same subject matter, though in different technical aspects of it. Thus the Surrogates' Courts have jurisdiction to deal with some questions relating to the estates of decedents, but, until a recent statute of doubtful constitutionality, they had no powers whatever that are conclusive as to land. Moreover, with many questions involving such estates they could not deal at all. The resulting cost of litigation is tragically, if dumbly, indicated in the twelve columns of fine print found in the New York Annotated Code, dealing with questions as to the disputed jurisdiction of the Surrogates' Courts. So too the jurisdiction of the present County Courts and of other courts wastefully overlaps that of the Supreme Court.

Such a system necessarily makes for failure in the administration of justice. Where the jurisdiction of courts is exclusive, a litigant is constantly in danger of having his case thrown out of the wrong court, with resulting loss of time and money to the parties, expense to the community, and encouragement of litigiousness. In many cases no court has jurisdiction to determine all the questions arising out of a single transaction, so that one human controversy must be split up into several costly lawsuits in several courts. No less crude is the maintenance of separate courts with overlapping jurisdiction. Judicial power is wast-