

prohibit all imports from America that are not absolutely necessities, and to develop with the utmost speed other sources of supply in the Empire and South America. That was the natural and foreseen result of refusing to a good customer the sort of credit facilities he desired. But its real significance lay in its revelation of the incapacity of American officialdom. To indicate, as the Board did, a decided preference for loans secured by the deposit of American securities, was not to cast doubts on British financial strength, but to betray American inexperience. It was to stipulate for a condition which our people will insensibly come to regard as the concomitant of all foreign loans. Yet it is a condition which most certainly will not be asked, or if asked, will not be granted, when peace returns. The action of the Board, therefore, did nothing to help on, but a good deal to hinder the education of the American people in international finance. It closed avenues of profitable enterprise that American bankers by their own skill and foresight had just begun to explore. It went far toward restricting the scope of American finance to the boundaries of the United States, and in doing so it facilitated the return of London to the full financial primacy that she held before the war. And it convinced the world—what is indeed the truth—that so long as we remain as we are today, the least organized and least efficient nation on earth, so long as our legislatures and our administrative authorities are on a par with the Federal Reserve Board, the Europe that will emerge from the war, geared up to the highest pitch of ordered energy, can well afford not to take American competition too seriously.

AFFAIRS OF THE STATES

THE recent annual meeting of the “House of Governors,” as it was originally called, attracted less attention and commanded less interest than it deserved. This year’s meeting of the Governor’s Conference was the ninth. In the nine years many interesting addresses have been delivered and many interesting topics have been discussed; but we are afraid that it would be difficult to name many concrete results of public beneficence which have been achieved. Yet some of the stated objects of the conference are practical and beneficent in a high degree—“the promo-

tion of greater uniformity in State legislation, and the attainment of greater efficiency in State administration."

Greater uniformity in legislation is obviously desirable. While the States are independent of each other, they are all members of a common Union and their relations with it are required to be uniform. Their commercial and social relations with each other are intensely and increasingly intimate. Moreover, they are required by the Constitution to give full faith and credit to each other's public acts, records and judicial proceedings. Radical differences in legislation and in jurisprudence make some of these conditions difficult to fulfill. We are not sure that they are entirely fulfilled. If, for example, a marriage or a divorce which is made in one State and is recognized there as perfectly valid, is regarded in another State as invalid, null and void, how can we successfully contend that each State gives full faith and credit to all the public acts and judicial proceedings of the other?

To continue the same example: There are no fewer than thirty-five different causes for absolute divorce recognized by the various States. But not one of them is recognized by all the States, since one State grants no divorce for any cause; and we are not sure that any two States agree exactly in their selections of the causes which in them are valid. It would surely promote the social and moral welfare of the States, if there could be a much greater degree of uniformity in such matters.

Equally noteworthy are the differences among the States in matters of legislation and administration which have no direct relation to morals. One of the most striking and perhaps most important is that in taxation. The per capita revenue varies enormously. The average in the United States is \$4.66, and in the separate States it ranges from \$9.47 in Nevada down to \$1.72 in South Carolina. Nor are the contrasts by any means merely between States widely separated and widely different in character. Thus Maine and Vermont receive respectively \$7.60 and \$7.27, while New Hampshire, lying between them, has only \$5.52. The figures for Minnesota are \$8.85, and for adjacent Iowa \$4.27, or less than half so much. Why should Louisiana have a per capita revenue of \$4.92 and Missouri one of only \$2.96? Or Arizona \$9.24 and New Mexico \$5.09? Why does Washington collect \$8.16 and Oregon only \$5.85?

The sources of revenue show similar differences. The

chief source is, of course, taxation; generally speaking. But in some States it is a minor source. Thus in the two Dakotas considerably less than half of the revenue comes from taxes, the major part coming from earnings of departments and from highway privileges, rents and interest. Generally taxes on property are the chief item of revenue, but not invariably. In just one-fourth of the States property taxes provide less than fifty per cent. of the revenue, these States being diverse in location and character—Rhode Island, Ohio, Minnesota, Missouri, North Dakota, South Dakota, Delaware, Maryland, Virginia, Montana, Wyoming, and California. The next most important item in most States is the tax derived from business and non-business licenses, and in the four widely scattered and contrasting States of Rhode Island, Missouri, Delaware and California it exceeds the property tax. Some striking contrasts are presented by adjacent and similar States. Thus North Carolina gets 14.7 per cent. of her revenue from license taxes, and South Carolina only 4.8 per cent.; Missouri 35.6 per cent. and Arkansas 6.2 per cent.; Rhode Island 46.2 per cent. and Connecticut 10.9 per cent.; Ohio 39.4 per cent., Illinois 13.2 per cent., and Michigan 6.9 per cent.; California 44.1 per cent. and Oregon 7.4 per cent.

The taxes on property show no less striking contrasts; whether we take their percentages of the whole revenue, or their actual amounts per capita in dollars and cents. In the whole United States property taxes average \$2.73. In New England as a whole they average \$4.19, ranging from \$4.95 in Vermont to \$2.11 in Rhode Island. In New Jersey they are \$4.98, in New York \$3.18, and in Pennsylvania \$2.52. In Wisconsin they are \$4.62, and in Ohio only \$1.83. In Nebraska they are \$2.78, and in Missouri only \$0.91—the lowest in any State in the Union. In Florida they are \$2.08 and in South Carolina \$1.11. In Arizona they are \$7.28 and in New Mexico \$2.80. In Washington they are \$5.88 and in California \$2.72.

The great contrasts in moral and penal legislation, and in amounts and methods of taxation are of real and great importance, and it would be well to have the House of Governors see if it cannot lead the way to a uniform adoption of the best systems.

THE LEAGUE TO ENFORCE PEACE

A. LAWRENCE LOWELL

EVERY proposal for a new departure in public affairs, and especially in foreign relations, awakens exaggerated hopes and stirs unneeded fears. Often the hopes and fears are due to a misunderstanding of the object sought. This ought not to be true of the League to Enforce Peace, because, although the details and methods of operation are left to the future, the principles involved are clearly stated and the limitations of the objects sought are carefully defined. An impression, however, has gone abroad that the organization may be intended, or used, to help in bringing the European War to a close. There are people, no doubt, who would like to see it directed to that purpose; but the statement of the object was deliberately framed to prevent this very thing, namely, to "establish and maintain peace after the close of the present war"; and the Executive Committee can safely be trusted not to permit it to be diverted from this aim. To seek to maintain peace before war breaks out is a very different thing from interposing between belligerents; offering, unsought, an opinion upon the terms they ought to accept; and bringing pressure to bear on the weaker or more vulnerable side. It is essentially the difference between seeking to prevent a quarrel and buying into a quarrel. An attempt to separate combatants may be under proper conditions highly praiseworthy, but it is certainly no part of the object of the League in the present war.

The programme of the League is so short that in spite of the frequency with which it has been published it may be repeated here.

We believe it to be desirable for the United States to join a league of nations binding the signatories to the following:

First: All justiciable questions arising between the signatory Powers, not settled by negotiation, shall, subject to the limitations