declared unconstitutional as a denial of full faith and credit. *Broderick v. Rosner*, 294 U.S. 629 (1935); *Converse v. Hamilton*, 224 U.S. 243 (1912); *cf. Gallagher v. Florida East Coast Ry. Co.*, 196 Fed. 1000 (D.C. N.Y. 1912). The soundness of these decisions largely depends upon the acceptance of the theory that the respective plaintiffs had a "vested property right" in the cause of action which arose in the foreign state. *Ormsby v. Chase*, 290 U.S. 387 (1933); *Bradford Electric Light Co. v. Clapper*, 286 U.S. 145 (1932); Dodd, The Power of the Supreme Court to Review State Decisions in the Field of Conflict of Laws, 39 Harv. L. Rev. 533 (1926); but see *Guinness v. Miller*, 291 Fed. 769 (D.C. N.Y. 1923); *The James McGee*, 300 Fed. 93 (D.C. N.Y. 1924); *Herzog v. Stern*, 264 N.Y. 379, 191 N.E. 23 (1934), *cert.* denied, 293 U.S. 597 (1934). This theory has been criticized. Lorenzen, Tort Liability and the Conflict of Laws, 47 L. Q. Rev. 483 (1931); Cook, The Logical and Legal Bases of the Conflict of Laws, 33 Yale L. J. 457 (1924).

Constitutional Law—Ability of Citizen to Object to Legislation of His Own State as Violating Privilege of Citizens of United States—[United States].—The Vermont Income and Franchise Tax Act of 1931 (Vermont Pub. L. 1933 § 872 *et seq.*) levied a tax on income received on account of ownership or use of or interest in any interest bearing security. Exempted, *inter alia*, was "interest on money loaned within the state" at not more than 5 per cent per annum. The plaintiff, a resident of Vermont, received as income interest on money loaned outside the state, and upon assessment according to the above provision, instituted statutory proceedings attacking the constitutionality of the tax. The Vermont Supreme Court upheld the tax; on appeal, *held*, (Stone, Cardozo, and Brandeis, JJ. dissenting to this part) the exemption of interest on money loaned within the state both violates the equal protection of the laws clause and denies the plaintiff one of the privileges guaranteed him as a citizen of the United States by the privileges or immunities clause of the Fourteenth Amendment. *Colgate v. Harvey*, 56 Sup. Ct. 252 (1935).

The court interpreted the phrase "money loaned within the state" to require that the actual transaction be conducted while both contracting parties were in the state. Thus, the majority argued, since the exemption would apply as well where the money was thereafter invested outside the state, the place of making the loan became the criterion and this was an arbitrary standard forbidden by the equal protection of the laws clause. The court stated however that had the statute required that this money be invested in property having its situs within the state, the exemption might have been held valid on the ground that it increased the taxable wealth of the state. *Klein v. Board of Supervisors*, 282 U.S. 19 (1930). If this were a permissible end, the fact that a negligible amount of money thus loaned would not be invested within the state would be insufficient to defeat the exemption. *Beers v. Glynn*, 211 U.S. 477 (1909); *Salomon v. State Tax Comm.*, 278 U.S. 484 (1929). And it might well have been argued that most of the money thus loaned would be invested within the state. But even assuming that the exemption was not reasonably calculated to achieve the increase of the state's taxable wealth, this seems an inadequate basis for concluding that another permissible end may not reasonably be conceived, or that the exemption was not intended to achieve this other object. *Tax Comm. v. Jackson*, 283 U.S. 527 (1931); *cf.* 36 Col. L. Rev. 283, 287 (1936); 49 Harv. L. Rev. 631 (1936). Although the majority avoided this conclusion by relying on the alternative approach of the privileges or immunities clause, it is regrettable that they omitted the consideration of another more obvious purpose. Clearly, the legislature intended to use its taxing power to achieve more favorable interest rates within the state. The pertinency of this objection is demonstrated by the minority opinion which stresses the fact that the legislature had before it the reports of two special commissions which, after research, recommended this exemption as the means of obtaining more favorable local lending conditions. See Report of the Special Committee on Double Taxation (Vermont 1900) 4, 15; Report of Vermont Commission on Taxation 43 (1908); Vermont L. 1912, 31.

The interstate commerce clause would seem to present no challenge to the validity of such a tax. Decisions in analogous cases indicate that probably lending money between states is not interstate commerce. *Nathan v. Louisiana*, 8 How. (U.S.) 73 (1850); *Paul v. Virginia*, 8 Wall. (U.S.) 168 (1868); *Nelms v. Edinburg Mortgage Co.*, 92 Ala. 157, 9 So. 141 (1890). But even if it were, a tax on income including that from this source is not a burden on such "commerce." *U.S. Glue Co. v. Oak Creek*, 247 U.S. 321 (1918); *Shaffer v. Carter*, 252 U.S. 37 (1920). Nor was there any claim in the instant case that the exemption would operate seriously to suppress the lending of money outside the state. 56 Sup. Ct. 252, 263. On the other hand, states have been allowed to foster domestic industries by the exercise of their taxing power. *Magnano v. Hamilton*, 292 U.S. 40 (1934); *Alaska Fish Co. v. Smith*, 255 U.S. 44 (1921). Thus there being neither an invidious discrimination nor a burden on interstate commerce, as that clause is usually construed, this favoring of domestic interest rates would seem to be a permissible public aim. *Cf. State ex rel. Parke, Davis & Co. v. Roberts*, 171 U.S. 658 (1898).

But rather than discuss the compatibility of this purpose with the equal protection of the laws clause, the majority preferred to rest its decision on that clause of the Fourteenth Amendment which declares that "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States." The unprecedented application of this "almost forgotten clause" is pointedly indicated by the minority's citation of the forty-four cases arising under it, in none of which was it held applicable. *Cf.* McGovney, Privileges or Immunities Clause—Fourteenth Amendment, 4 Iowa L. Bull. 219, 222, note 3 (1918). The majority distinguished these cases on the facts and justified its reliance on but a few cases by assuming that other statutes which probably violated this clause had been disposed of under different provisions of the Constitution. See *Williams v. Fears*, 179 U.S. 270 (1900) (dictum); *Crandall v. Nevada*, 6 Wall. (U.S.) 35 (1867); with which compare *Helson v. Kentucky*, 279 U.S. 245, 251 (1929). The tentative nature of this argument is apparent; the reasons underlying its invocation are more debatable. The privilege, as found by the court, was that of lending money in any part of the United States. Thus a fair inference is that this clause is being rejuvenated in order to avoid the restricted construction of the interstate commerce clause. The court expressly referred to interstate insurance as one of the privileges secured under the clause. 56 Sup. Ct. 252, 260. It would seem to follow that foreign insurance companies can thus obtain protection denied them under the commerce clause. See *Paul v. Virginia*, 8 Wall. (U.S.) 168 (1868); *Hooper v. California*, 155 U.S. 648 (1895). But corporations are not citizens within the privileges or immunities clause (*Orient Ins. Co. v. Daggs*, 172 U.S. 557 (1899); *Western Turf Ass'n v. Greenberg*, 204 U.S. 359 (1907)); consequently this protection might seem illusory. But where a discriminatory tax is levied on an individual for his transactions with a foreign insurance company, this privilege would seem to operate to invalidate the tax. 56 Sup. Ct. 252, 260. Such indirect relief to foreign insurance companies has already been afforded them under the due process clause. *St. Louis Compress Co. v. Arkansas*, 260 U.S. 346 (1922). Similarly, upon objection by an individual, any foreign corporation which could show that its business was the exercise of a privilege within this clause apparently would be relieved from a discriminatory tax levied on the individual for his part in the transaction. The court limited the breadth of this holding, however, by another part of its decision; a tax was sustained which imposed upon income received from stock in corporations which paid an income tax to the state a lighter burden than upon income from stock in corporations which did not pay such a tax. 56 Sup. Ct. 252, 255. The fact that the corporation which was not taxed locally might pay an income tax in other states was held immaterial. (*Kidd v. Alabama*, 188 U.S. 730 (1903)). The resulting discrimination in favor of investors in corporations doing business within the state appears to be a more serious restraint on extra-state investments than the discrimination which was condemned. *Cf. Farmers Loan & Trust Co. v. Minnesota*, 280 U.S. 204 (1930). On this issue, however, the court apparently deemed itself bound by prior decisions.

Corporations—Uniform Stock Transfer Act—Negotiation of Stock Certificates by Means of Separate Blank Power—[Massachusetts].—The plaintiff authorized his broker to pledge stock not yet owned by the plaintiff, and for that purpose assigned and delivered to the broker several powers of attorney which were blank except for the plaintiff's signature. The plaintiff also gave the broker a document called a "permission to pledge" any security owned by himself or the broker. Using the above stock powers, the broker wrongfully pledged with the defendant bank other shares which the plaintiff had previously deposited, unindorsed, with the broker for safekeeping. The defendant bank filled in the powers to designate the shares wrongfully delivered to it. The plaintiff sued to restrain any sale of the pledged stock by the bank and to compel redelivery of the certificates. *Held*, for the defendant. But apart from the "permission to pledge" which was held to include authority to fill in the blank stock powers, there could not be a valid negotiation of the unindorsed certificates by means of a separate stock power which was blank as to the name of the stock under § 1(b) of the Uniform Stock Transfer Act (2 Mass. Gen. L. (1932), c. 155, § 37(b)). *Edgerly v. First Nat'l Bank of Boston*, 197 N.E. 518 (Mass. 1935).

The Uniform Stock Transfer Act provides in § 1 that title to stock certificates may be passed (b) "By delivery of the certificate and a separate document containing a written assignment of the certificate or a power of attorney to sell, assign or transfer the same or the share represented thereby, signed by the person appearing by the certificate to be the owner of the shares represented thereby. Such assignment or power of attorney may be either in blank or to the specified person." The last sentence appears to refer only to naming of the transferee and affords no legitimate inference as to whether stock powers not describing the shares were contemplated. Nevertheless, the court held that under this section a stock power must purport to assign designated certificates or shares. Although § 1 of the Uniform Act purports to state the "only" methods by which legal title may be transferred (6 U. L. A. § 1 (1922)), the framers of the act may have meant to except common law estoppel under § 18 (6 U.L.A. § 18 (1922)) which states that in cases not provided for by the act, the common law and law merchant shall remain in effect. Even if no express exception was in-