

importers, exporters, and trade associations interested in the agreements. Every article or item of interest in the trade with the particular country is carefully studied and the information brought together in a compact and readily available form. One set of volumes contains the data relative to articles which the other country exports or might export to us, while another set of volumes includes similar information in regard to articles which we might ourselves expect to export to that country.

This comprehensive and necessarily somewhat complicated machinery for the successful conclusion of our trade agreements has been made to work with remarkable dispatch and effectiveness because the supervision of all the details of negotiation is centered in the Department of State and placed under the direction of a thoroughly competent expert in the matter. This expert, Chairman Grady,⁵ is himself directly under Assistant Secretary of State Sayre, who presides over the discussions of the important policy-forming committee, and every decision of policy as well as each important step of the negotiation is through this contact or channel communicated to Secretary of State Hull and through him to the President. At each step the appropriate governmental department or agency is consulted for the technical information required, but the Department of State rightly assumes the responsibility for coördinating this information and conducting the actual negotiations. It is impossible to divorce foreign commercial relations from foreign policy, and the Administration is to be congratulated upon this appropriate division of the work between the Department of State and the Department of Commerce, with the coöperation of all the other governmental agencies concerned. We shall await with interest the further development of the commercial policy which Secretary of State Hull has initiated through the conclusion of the Brazilian and Belgian trade agreements.

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INTERNATIONAL LAW AND INTERNATIONAL TRADE

The advice of a prominent publicist, whose "liberal" views have long been familiar to the American public, that the United States should abandon its past policies in respect to the promotion of foreign trade and turn its attention to the development of its natural resources and its industrial technique within the range of its own domestic market, calls attention once more to the need of examining the principles of international law in the light of inter-

⁵ Grady, Dr. Henry Francis, Professor of International Trade and Dean of College of Commerce, University of California, 1928-34. In addition to holding several other academic positions, he was special expert of the United States Shipping Board, 1918-19; United States trade commissioner in Europe to report on post-war financial conditions, 1919-20; acting commercial attaché at London, August 1919-February 1920, and at The Hague, April-July 1920; and acting chief of Division of Research, Bureau of Foreign and Domestic Commerce, 1921.

national economic relations. Mr. Beard is convinced that the appeal of certain economists to restore the old economic order of interdependent nations as the condition of national prosperity is a mistaken one. There was never any such order, asserts Mr. Beard, there was only the anarchy of competition and rivalries between the leading nations. Hence instead of attempting to restore what never existed, let us supplant the policy of seeking to maintain an open door in foreign markets by a policy of opening the door of opportunity at home.¹

The frankness with which a policy of economic nationalism for the United States is proposed by its advocates renews a challenge made to international law a generation ago but still evaded by statesmen and publicists. Too many international lawyers are still delimiting the field of their concern to the traditional problems of international intercourse and refusing to recognize the necessity of extending their inquiries into the economic causes of conflicting national interests. As well might the constitutional lawyer confine himself to a legalistic approach to his problem and apply due process of law to the issues of today as it was applied to issues at the beginning of the century. To do so is to consider legal problems in the vacuum of mental abstractions, it is to refuse to look upon the law as a living growth which must either adapt itself to the changing needs of the international community or else be swept aside by the rising forces of economic anarchy.

No one can witness the struggle that is going on among the larger industrial nations for greater economic security without realizing that if it continues along its present course it is so directly promotive of political conflict that no machinery of arbitration or conciliation will be able to solve the disputes to which it gives rise. The need an industrial state is under of assuring an adequate supply of essential raw materials becomes the more pressing as new measures are taken by neighboring countries to control their output for the sake of raising prices or of conserving natural resources. The competition for foreign markets becomes more acute with the devaluation of national currencies and with the problem of unemployment pressing all the harder upon governments to increase their exports and restrict their imports. The inability of governments in a time of financial depression to meet the obligations of external loans has dried up the sources of credit formerly relied upon to develop international trade. These are familiar aspects of international competition of recent years, but their familiarity has not led international lawyers as a group to take up the problem and lend their aid to the economists who have sought on one occasion or another to meet the issue.

It is indeed a problem of constructive statesmanship of the highest order with which we have to deal. Even within our own country we are witnessing

¹ *The Open Door at Home. A Trial Philosophy of National Interest.* By Charles A. Beard, with the collaboration of G. H. E. Smith. New York: The Macmillan Co., 1934. pp. xii, 331. Index. \$3.00.

the difficulties of formulating a law of interstate trade which will equalize to some degree the competition between sections of the country in which high labor standards prevail and those which have cheap labor available, between advanced and backward agricultural communities, between the small producer and the highly organized industrial unit. But the difficulties of the problem at home are at the same time an encouragement to action in the larger field of international economic relations. The analogies and parallels between the two fields, while not so close as to permit too ready inferences from one to the other, nevertheless throw considerable light upon the methods of approach and the feasibility of the particular forms of regulation. An "interstate commerce" law for the nations is so indispensable that the formulation of its fundamental principles must become a subject of immediate concern to international lawyers and its study must be pursued unremittingly until a solution be found.

Publicists have on more than one occasion called attention to the intimate connection between political and economic security and to the necessity of supplementing pacts of political non-aggression with pacts of economic non-aggression. It is an interesting academic question whether political stability in international relations is a condition precedent to economic recovery or, on the other hand, economic recovery is a condition precedent to political stability. As a practical matter, the two are interdependent and their causes and effects are so closely interwoven as to make it impossible to determine at times whether a particular measure bears more upon the one than upon the other. A marked revival of foreign trade would undoubtedly do a great deal towards lessening the present situation of political tension; and, on the other hand, it is equally clear that if the political situation could be brought to a greater degree of stability it would release forces that would have an immediate effect in stimulating world trade. As for the policy of the United States, Professor Wright has emphasized forcibly in the recent Report on International Economic Relations that the present efforts that are being made to promote domestic recovery should be entered upon with a due care to avoid creating distress and resentment abroad or a shock to the world's political equilibrium.

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GERMAN REARMAMENT AND UNITED STATES TREATY RIGHTS

In September, 1934, the Department of State issued a Press Release¹ entitled, "Exportation of Arms and Munitions to Germany," in which a

¹ Saturday, Sept. 22, 1934, Weekly Issue 260, Publication No. 641. The Press Release ends as follows: "That as the United States, under the provisions of Articles I and II of the Treaty of Berlin enjoys all the advantages stipulated in Arts. 170 and 198 [of the Treaty of Versailles] the importation of military aircraft into Germany or the possession or use of aircraft by the German police would constitute a violation of the treaty rights of this Government."