

Foreign Trade After the War

Comparisons to the disadvantage of our people have been made between the preparations initiated in the other Allied countries to meet new economic conditions after the war, and those which are under discussion here. But, considering the kind of suggestion which has so far emanated from the numerous boards, committees and conferences that, particularly in England, have been addressing themselves to this subject, it is perhaps just as well that neither our Government nor our commercial organizations have dealt with it so intensively as has been done abroad. Here and there a departmental committee has a flash of insight. One appointed by the British Board of Trade to consider the position of the textile trades after the war reached the very sensible conclusion "that State control of and restrictions upon industries arising out of war conditions, which have been recognized and accepted during the war, but which we consider are detrimental under normal conditions, should be removed as soon as possible after the conclusion of peace." In business circles the prevailing opinion is that when the war is over the cry that will go up from all sections of commercial and industrial England will be for release from the ever-growing State interference which this war has brought upon them. They have had a lesson in State control and they do not want to perpetuate it. This feeling has been rather strengthened by the extraordinary avowal recently made by Sir Albert Stanley in the House of Commons that he hoped the shrinkage of British imports during the war would be perpetuated after it. As the "Economist" remarks, for the president of the Board of Trade to be holding up the restriction of foreign commerce as a means to the enrichment and prosperity of the United Kingdom is a very serious symptom of the state of mind into which its rulers have drifted under the influence of war hysteria. The question before the country, as the "Economist" sees it, is whether the people propose to have their trade activities managed by a set of politicians and officials whose conduct of the war has been in many ways lamentable and has only been rescued from failure by the efforts of the nation trained under Free Trade to elasticity, initiative and adaptability.

But if there be a lesson and a moral for us in the vagaries of British officialdom dealing with questions for whose adequate treatment it lacks the proper equipment, we may also find instruction in the direction which is being given to some of the phases of governmental effort. One of the most interesting, though perhaps most modestly equipped, of these is the Overseas Trade Department. The reasons which led the Government to establish this new administrative agency were these: In Great Britain before the war everyone was content to allow the questions relating to the development of foreign trade and that of commercial rivalry abroad to go unanalyzed. Thus competition went on without being properly met. Since the war began the country has realized for the first time the true character of the system of commercial penetration which had been pursued by Germany. Hence the perception that the British manufacturer and exporter should have not only information about ordinary subjects, such as in regard to the selling of goods, as to whether British goods were required in a particular country, as to whether quotations were made in the proper currency and for the proper weight, etc., but should also be supplied with a careful analysis and report from different foreign countries on the whole methods of banking, finance, transport and the other great factors which enter into commerce as an organized system. That, it will be perceived, is very much the same work which is being done by our own Department of Commerce, but the English department has had to content itself with an annual Treasury allowance of \$570,000 against twenty times that sum for its Washington prototype. It should be added, however, that the Overseas Trade Department is making an urgent bid for an appropriation of at least \$5,000,000 for its first year's work, and with the ending of the war it is urged that this sum should be many times exceeded. In fact, it is claimed that after the war the Overseas Trade Department will be one of the most important branches of the Government, and that for its head to have the status and salary of a Cabinet Minister is only a question of time.

All this proceeds on the assumption that an enormous increase in British foreign trade must follow peace if the country is to recover its position in

the world. Closely allied to that question is the problem of shipping, which is of equally pressing importance to our own commercial development. The British outlook in that field of enterprise has manifestly a direct bearing on the prospects of our own builders and owners, not to say on the future of our foreign commerce in the broadest sense. On this subject one of the Board of Trade committees has testified to the existence of a widespread fear in the shipping and shipbuilding industries that victory in the war may be followed by the maritime decline of Great Britain unless steps are taken to restore confidence among shipowners. Even those who do not share this somewhat gloomy outlook admit that there undoubtedly lie ahead of the industry the most difficult of all the problems of reconstruction, whose careful handling will be required before shipping is restored to a normal stable prosperity in times of peace. The assumption is that British steamers will after the war be handed back to their owners, and

that the Government will not try to maintain a monopoly of ocean traffic. Among the rocks ahead for the future prosperity of British shipping is reckoned the fact that under the strain of war the United States has built vessels on a scale beyond all precedent and that their place in peaceful competition may permanent alter the relative commercial positions of the two countries. The fact is being more and more clearly recognized in American shipping circles that the future of our own foreign trade will very largely depend on the course taken by the Government in disposing of this newly acquired mercantile marine. The British Board of Trade Committee properly insists on giving back his freedom to the shipowner as soon as the war is over, leaving him to manage his own business as before. The converse of that proposition here would be for the Government to get out of the shipping business as quickly as it can, but to endeavor meanwhile to place the American shipowner, in respect of the operation of his vessels, on a footing very nearly, if not altogether, as advantageous as that which his European competitor will be able to command.—The New York Journal of Commerce.

The Lusitania Test Case

The Cunard Company exonerated—Only the Germans responsible

In his decision in the protracted Lusitania case Judge Mayer takes pains to set forth clearly all the essential facts connected with it, as presented in the numerous suits and claims against the Cunard Company in the voluminous testimony. The case was in many respects quite unprecedented, but there was nothing exceptional in the bearing upon it of established principles of international law. It was desirable for the jurist to prepare a broad and solid basis for his decision and put it so far as possible beyond further delay in a final determination, on account of its general bearing in other cases of the same kind of offense against the rights of nations and of shippers of passengers and cargoes in time of war. There is hardly likely to be appeals from this decision in the Lusitania case, as its final result will be to exact indemnity through the Government from the real offender, the Government of Germany, so far as indemnity for such an outrageous act is possible. Still, it is desirable to have the final sanction of the supreme judicial authority of the nation for this judgment on account of its wide application to other cases and its permanent effect. Doubtless arrangements can be made for securing this without direct appeal, except in a formal way in some one or possibly more than one case, as a conclusive test.

The case had been before the Federal District Court in this city for something over a year, but the offense was committed long before the United States was a party to the war, and when it had all the rights of a neutral nation, and its citizens were entitled to protection in the exercise of those rights. The vessel was British and that of an enemy of the German power, which was using the submarine for the first time in the history of the world for attack upon merchant vessels. It could not be used with effect without an absolute violation of all established principles agreed to by civilized nations. It was assumed that early in the war, May, 1915, Germany would be bound by those principles, as it professed a willingness to be even after this offense was committed. There was a strange controversy over this question for months, though it seemed so plain on the face of it. Under the established rules the submarine could not serve the purpose for which it was devised and for which it was boldly used, with any degree of success. In international controversy there were all manner of false pretenses about the Lusitania being armed and carrying arms and munitions for the enemies of Germany, and of designs of hostility on its own part. These were sheer assumptions and speedily proved to be without foundation.

It is not worth while now to go over the ground of controversy for the twisting and turning and false pretending of the offender have become a familiar story, and it has no scruple about violating international law, outraging established rights and putting up any false defense that its ingenuity could advise. Some of its chief rulers and commanders have boldly avowed this as justifiable in dealing with

enemies in time of actual war. The ground taken was necessary if there was to be any defense for using the destructive submarine against unarmed merchant vessels, which could not be successfully challenged and examined, on account of their speed and the danger to the flimsy U-boat if they carried a gun. The greatest significance of this decision in the Lusitania case is not the establishment of any new principle but the application of one long accepted to the new device for evading it. That was a specially outrageous case which astonished the world, but it was not the only one that had occurred even at that time. After the vain attempt to justify, it was virtually promised that it would be avoided thereafter. How that promise was kept is part of the same familiar story of the last three years.

After going over the history of the offense and the various disputes and controversies over it, Judge Mayer well says that in view of what is now known it is easy to look back and say that the Cunard Line and its captain should have known that the German Government "would authorize or permit so shocking a breach of international law and so foul an offense, not only against an enemy, but as well against peaceful citizens of a then friendly nation." But at that time it was naturally unexpected, as was "best evidenced by the horror which it excited in the minds and hearts of the American people." It may be said, outside of these judicial statements, that nothing in the history of the war had more to do with setting the minds and hearts of the American people at enmity with the German nation, a sentiment that was afterward continually aggravated and intensified by the same violation of rights and principles, until we were forced into the war in defense of these as necessary to the safety of the nation.

The conclusion of the judge is that the fault must be laid upon those who were responsible for the sinking of the vessel, "in the legal as well as moral sense." It is not, therefore, the Cunard Line but "the Imperial German Government, acting through its instrument the submarine commander, and violating a cherished and humane rule, observed until this war by even the bitterest antagonists." While there may be no recovery by the lawsuit, the judge's closing statement is that the United States and the Allied nations will no doubt remember the rights of those affected by the sinking of the Lusitania, and "when the time shall come, will see that reparation shall be made for one of the most indefensible acts of modern times." It may also be assumed that it will result in re-establishing a fundamental principle of modern civilization with guarantees that will make it unsalable in the future.—The New York Journal of Commerce.

Officer—Young man, why haven't you enlisted?
Darcy—Me enlist, sir? Why, say, man, my feet is so bad Ah couldn't retreat, let alone advance