

tions. He finds that today individuals have status under that law not only as objects, but as subjects as well. His claims here are well-documented and well-reasoned.

The means of giving practical effect to the principle of human rights under international law occupies the remainder and by far the greater part of the book. The effects of the United Nations Charter are considered in some detail and the work of the Commission on Human Rights is examined. The draft of the International Bill of Rights is fully discussed as is the Universal Declaration of Human Rights proclaimed by the General Assembly of the United Nations in December 1948. The book concludes with a discussion of the proposed European court and commission for human rights.

The book is a substantial contribution which international law scholars will find closely reasoned and systematically presented. Interested lay persons will find it a readable and comprehensive treatment of one of the vital subjects of our time.

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ELLIS, HOWARD S., with the assistance of the research staff of the Council on Foreign Relations and with an introduction by Dwight D. Eisenhower. *The Economics of Freedom: The Progress and Future of Aid to Europe*. Pp. xviii, 549. New York: Harper & Brothers for the Council on Foreign Relations, 1950. \$5.00.

What chance does a poor reviewer have to summarize in a few sentences 549 pages packed with information and analysis? To be sure, the book is everything its subtitle suggests. The first part (pp. 1-84) gives a general background of the European Recovery Program. The very first section of the first chapter is entitled "The Supremacy of Political Aims," and the whole book never lets the reader forget that it deals with economic *policy*. Yet the whole book is thoroughly scientific in the sense that the available facts are carefully presented, weighed, and analyzed (though it is in the nature of any book like the present one that summary tables must be frequently used).

Four countries are selected for special study. For all of them the progress made and the role of American aid are shown and their problems for the future discussed both in terms of what they themselves can do and in terms of what remains to be done for Americans if they want their own political ends achieved. The United Kingdom receives two chapters (pp. 87-174) partly because it is obviously of crucial importance to the United States, partly (I suspect) because more reliable statistical information is available for England than for any other country; but partly also because the English recovery experience is especially significant since England was the only Western Ally not occupied and with its capital equipment and moral fiber relatively intact.

The recoveries of Western Germany, France, and Italy, the other countries dealt with, are more remarkable than is generally recognized. Yet all of them have their long-run problems which defy quick and easy solution. France is the best off, yet even here the discussion, for example, of the tax system shows that not all is well. Germany has, of course, the special problems of being a divided and occupied country and of having an abnormal population structure. And Italy's traditional problems of overpopulation and of capital shortage have been seriously aggravated by the war.

The author's discussion of the economic policies pursued by the governments of Western Germany and Italy is an important contribution to the growing literature on these policies. These two countries are the only European nations with substantial unemployment. (Belgium, which also suffers from underemployment, is quite a different case.) Their Governments have been accused of bringing about this unemployment and/or of doing nothing to alleviate it through orthodox budget, financial, and monetary policies or through "liberal" international trade policies. Budget deficits, easy money policies, combined with consumer and credit rationing and import controls, would have made full employment possible—so the critics assert.

Professor Ellis does not avoid these problems. But he points out that the facts do not point to a deflation in Italy as this

term is normally understood; monetary circulation and production have not fallen, though wholesale prices have. Furthermore, in countries as dependent on foreign trade as Italy and Germany the effectiveness of so-called Keynesian policies—may Lord Keynes forgive this abuse of his name—is distinctly limited. The whole problem of how much can be done by this or that policy is evidently a question of more or less; it is quite possible that the Italian and German governments and central banks could have done more than they actually did to combat unemployment. But it is an entirely different matter to suggest that the unemployment of Southern Italians or of German expellees could have been easily eliminated by what have become neoorthodox measures.

This is quite independent of the fact that institutional factors would in Italy probably have led to a rapid inflation rather than to an increase of output and employment since wages there are largely tied to a cost of living index, while in Germany the Occupation Statute does not even permit a government deficit except for brief periods and in an emergency. In other words, the critics of the German government chide it for not deliberately flouting the constitution which is theoretically enforced by three foreign armies, and they quite incidentally forget that in fact the German government does run a deficit because it can't help it!

This reviewer inclines to Professor Ellis' stand on these matters—even Professor Ellis' arguments that the accumulation of gold and dollar reserves by Italy, in preference to greater immediate imports of raw materials, makes perfectly good sense, since these reserves are still only the equivalent of two months imports and smaller than those of France.

In Part III, Ellis discusses "Regional Problems and Plans" (pp. 369-464). There is no wishful thinking in this part, but no defeatist pessimism either. The facts are, of course, that Western Europe is neither an economic nor a political unit as yet (and as Turkey and Greece are included by courtesy, it isn't even a real geographic unit), and that, for that very reason, co-operation meets severe obstacles.

The whole purpose of introducing customs unions and of economic integration would be to increase efficiency by reallocating resources. But, in the first place, it is by no means obvious that a Western European customs union would be preferable on this count to the practices of the more orthodox liberal policies. In fact, Professor Ellis provides us with one of the few objective discussions of various measures of co-operation. In the second place, the more effective measures of integration are, the more likely they are to lead to changes, and it is these very changes which are resisted by governments, employers, and unions alike.

Whether or not Ellis intended such an effect, this reviewer finds his conviction strengthened that any measures leading to greater liberalization of economies and trade not only within Europe but within the world, not only would be desirable but probably also would be the most practical of all alternatives. This does *not* mean that social policy should be scrapped, nor that there is little or no room for government action if individual countries so desire. Nor does it mean that all taxes everywhere should be reduced: Professor Ellis points out, for example, that income taxes might well be raised in France. But it does mean that the more unorthodox means of physical planning and of restrictionism are neither as efficient as they are supposed to be in the short run nor as desirable as they are supposed to be in the long run.

The common military and political interests of the free world may actually help to reduce some obstacles to changes which would be desirable from an economic standpoint. Yet Americans, before criticizing Europeans too quickly and too easily, might do well to remember that they are sitting in a glass house, and Professor Ellis has not shirked the task of telling them so.

All together this is a book which is timely—the fact that Mr. Eisenhower who wrote the introduction has again become General Eisenhower attests to this—but its interest transcends the problems of the day.

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