International Business Transactions in a Nutshell, by Donald T. Wilson

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INTERNATIONAL BUSINESS TRANSACTIONS IN A NUTSHELL. By
$8.95.

"International Business Transactions" or merely "International Trans-
actions," which is the title used by the Association of American Law
Schools, covers the formation, establishment and functioning of the trans-
national enterprise, transnational contracts, and transnational trade regula-
tion which includes custom duties, tariffs and subsidies, antidumping and
international antitrust. The interchange of the terms "international" and
"transnational" does not matter, though the former tends to be applied to
the activities and relations of countries, whereas the latter to business activ-
ities across national borders.

This little book covers all these topics and, in addition, it provides some
useful information as to international and regional organizations that play
an increasing role in trade regulation, e.g., the United Nations, the Euro-
pean Economic Community, the Andean Common Market, the Association
of South East Asian Nations, the Caribbean Community, the Central
American Common market, COMECON, the East African Community
and the West African Community (ECOWAS). It also deals, as it should,
with expropriation, sovereign immunity and the act of state doctrine.

The coverage is impressive with one major omission: the book does not
deal at all with international taxation. Taxation is the catalyst of business
planning. The enterprise and its legal counsel are very much concerned with
the enterprise's tax position and with tax implications when new business is
initiated. Treaties for the avoidance of double taxation and credits for, or
deduction of, foreign taxes are of major importance. Arguably, since the
book deals with the movement of goods, some reference should have been
made to the international sale of goods, which is undergoing a slow process
of unification, and to the carriage of goods by sea and air, which have been
unified worldwide.

The reviewer appreciates the immensity of the author's task and the
confines of the nutshell format, but taxation is of constant importance and
should be given priority over the institutional details of regional organiza-
tions. Something should also have been said about foreign boycott
legislation.

The author correctly tries to set up a pattern of matters that concern
the assistant general counsel in charge of foreign law problems. They relate
to the movement across national borders of goods, labor, money and infor-
mation. Details must be left to loose-leaf books that can be updated. Nut-
shells are of little use to the practitioner or to corporate counsel who use
loose-leaf books, specialized services and computerized information to keep

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current in their areas of interest. A useful addition to the book would be a section providing information as to relevant specialized publications and services, computerized or other.

The reviewer also noticed that there is no reference in the book to the foreign sales corporation. There is some justification for this. Judging from the preface of the book, the manuscript must have been sent to the printers in December 1983 and the Tax Reform Act of 1984, which introduced the foreign sales corporation, became effective on July 18, 1984.¹ The lack of reference to the foreign sales corporation, which will be of great practical value in the years to come, illustrates the two central points of this review: first, that to a practitioner only the loose-leaf format is of any use and, second, that arrangements relating to taxation are of cardinal importance.

Is the book useful for teaching? The question opens two lines of inquiry: the usefulness of nutshells in general in the instruction of law, and the usefulness of this particular book in the particular subject matter. The first line of inquiry depends largely on the objectives that one sets when teaching law. Is the object of teaching law to convey information or to develop analytical skill? The reviewer subscribes to the view that the development of analytical skill comes first, but that some information, particularly in subjects concerned with what is happening abroad is also important. Analytical skill can be better developed by referring to source materials rather than to a summary of what the law is. The student is then trained to select the relevant and reject the irrelevant and to synthesize a pattern inductively. International business and international trade law, however, are so multifaceted and diffuse that a ready made pattern will help the instructor to set up a course and the student to erect an analytical framework for future reference.

In light of the above comments, the reviewer would recommend this book as a guide to instructors and students of transnational business law or transnational trade law, provided that treaties, statutes, legislative history, regulations and unedited reports of cases are used and that the student is urged to analyze them rather than memorize the contents of the nutshell. The reviewer would welcome subsequent editions updating the contents of this book and hopefully incorporating some of the suggestions offered above.

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